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CONTENTS

4 December 1990

POLITICAL

INTERNATIONAL AFFAIRS

- Latest Ethnic Incident in Tirgu Mures Reported [Budapest NEPSZABADSAG 11 Oct] 1

CZECHOSLOVAKIA

- Calfa on Challenges Facing Federal Government
[Frankfurt/Main FRANKFURTER ALLGEMEINE 16 Oct] 1
- Tension Within Civil Forum Seen as Threat to Unity
[Frankfurt/Main FRANKFURTER ALLGEMEINE 18 Oct] 3

HUNGARY

- Horn Comments on 6 October PRAVDA Article, Soviet Relations [NEPSZABADSAG 21 Oct] 4

POLAND

- POLITYKA Weekly News Roundup [POLITYKA 20 Oct] 5
- Disagreement Between Poles, Belorussians on Bialystok Status 7
- Bujak Comments on Situation [KURIER PORANNY 17 Oct] 7
- Border, Discrimination Issues Dominate [KURIER PORANNY 16 Oct] 7
- Demoralized Police Force Losing to Rising Major Crime Wave
[Munich SUEDEDEUTSCHE ZEITUNG 18 Oct] 8

YUGOSLAVIA

- Tudjman Alleged To Have Serious Health Problems [OSMICA 11 Oct] 9
- Great Hopes for Future SFRY President Mesic [DANAS 23 Oct] 11
- Croatian Official Tells 'Truth' About Special Police [DANAS 9 Oct] 13
- Croats Polled on Future Bosnian, Serbian Elections [DANAS 9 Oct] 16
- Cardinal Kuharic's 'Anti-Serb Message' Condemned [NIN 12 Oct] 18
- JUTEL Seen as 'Military Secret' [NIN 2 Nov] 20

MILITARY

INTERNATIONAL AFFAIRS

- Polish, CSFR, Hungarian Defense Ministers' Meeting Raises Questions
[Warsaw PRZEGLAD TYGODNIOWY 7 Oct] 23

POLAND

- Defense Industry Adaptation to Civilian Production Viewed [ZYCIE WARSZAWY 9 Oct] 24
- Commandant on Role of Newly Named Academy for National Defense
[POLSKA ZBROJNA 15 Oct] 26
- Quality of Military Hardware in Use Termed Low; Alternatives Viewed
[POLSKA ZBROJNA 16 Oct] 28

ECONOMIC

CZECHOSLOVAKIA

Only Rapid Transition to Market Economy Will Work, Says Economist [HOSPODARSKE NOVINY 19 Sep]	31
--	----

HUNGARY

Trade Relations, Prospects With Austria Described	34
Growing Trade With Austria [Vienna DIE PRESSE 20 Sep]	34
Chamber of Commerce Plans [Vienna DIE PRESSE 20 Sep]	35

POLAND

Future Telecommunications Cooperation With West Viewed [RYNKI ZAGRANICZNE 6 Oct]	35
Economic Effects of Gulf Crisis, USSR 'Chaos,' German Unification [POLITYKA 20 Oct]	36
Thoughts on Eliminating Fringe Benefits, Privileges, Allowances [POLITYKA 27 Oct]	38

SOCIAL

CZECHOSLOVAKIA

Interest in Learning Western Languages Rises Sharply [Frankfurt/Main FRANKFURTER ALLGEMEINE 26 Oct]	42
--	----

INTERNATIONAL AFFAIRS

Latest Ethnic Incident in Tirgu Mures Reported

91CH0115A Budapest NEPSZABADSAG in Hungarian
11 Oct 90 p 3

[MTI [Hungarian Telegraph Agency] report: "Provocation Cannot Be Ruled Out"]

[Text] Five young men, four of whom are Hungarian, desecrated a monument honoring Romanian heroes at the center of Marosvasarhely [Tirgu Mures] last Sunday, according to reports.

A military patrol arrested the youths and handed them over to the police. They were released from the police station, presumably at the orders of a deputy police chief of Hungarian origin. Upon hearing of the release several hundred Romanians poured out into the streets, demanding the renewed arrest of the five persons. Simultaneously the Hungarian police officer who released the suspects was dismissed from the police. The country's second largest political party, the opposition Democratic Association of Hungarians in Romania [RMDSZ], claimed that the monument was not desecrated and that the suspects were simply drunk, according to a BBC report. BBC added, "Whatever the situation may have been, it is likely that the incident will further increase tensions in Marosvasarhely and generally in Transylvania."

A Tuesday report filed by the Romanian news agency Rompres claims that "hooligans in Marosvasarhely wanted to tear down the Romanian national flag from a podium, therefore they were placed in custody." Four of the hooligans had names that "sounded Hungarian," according to Rompres. The report also described the dismissal of the deputy police chief.

The RMDSZ immediately issued a denial of having anything to do with the incident. Not much doubt exists concerning the truth of the denial, considering the catastrophic effect an incident like this may have on the situation of Hungarians in Romania, the BBC noted. The case is eminently qualified to infuriate Romanians and to awaken the ugliest nationalist and anti-Hungarian sentiments.

Ever since the bloody Marosvasarhely confrontation of last March which claimed five lives, the situation between Romanians and Hungarians may be characterized as tense calm. The filing of a report by a parliamentary committee charged with the investigation of the March incident is long overdue.

In the May elections the Hungarian minority, numbering 2 million people, unanimously voted for the RMDSZ, the second largest party in the country after the National Salvation Front. The RMDSZ claims that the Front is fundamentally hostile to minority interests. But the RMDSZ's connections with other opposition groupings are weak.

No Romanian opposition party wants to appear as being close to the Hungarian minority organization, because the country's political climate is strongly influenced by concerns about Hungarian plans to make territorial claims relative to Transylvania, the BBC claims. The revival of Hungarian nationalism bolsters these concerns to a large degree. At the same time Romanian society feels disturbed, and this provides fertile soil for wild rumors about Hungarian terrorism, sabotage, and conspiracy. Such rumors are purposely spread by part of the press.

The real beneficiaries of this atmosphere are the survivors of the Ceausescu system, primarily the former Securitate men. They are convinced that the revolution which overthrew Nicolae Ceausescu, and Securitate, was brought to life in Hungary. Under such circumstances the RMDSZ is no position to take action in order to support the program to restore the rights of nationalities denied under Ceausescu's rule. All this makes more difficult an endeavor to harness the more radical, perhaps extremist elements, which may also be found in the ranks of the Hungarian minority.

This may be the explanation for Tuesday's incident, the BBC asserts, noting that in today's stormy chaos of Romanian political life one cannot rule out the possibility of provocation.

CZECHOSLOVAKIA

Calfa on Challenges Facing Federal Government

91CH0071A Frankfurt/Main FRANKFURTER
ALLGEMEINE in German 16 Oct 90 p 6

[Article by Berthold Kohler on a conversation with CSFR [Czech and Slovak Federal Republic] Prime Minister Marian Calfa: "Understanding for the Common Purpose Has Disappeared"]

[Text] Prague, 15 October—The most important thing is to carry out economic reform in Czechoslovakia, Czechoslovak Prime Minister [Marian] Calfa emphasized in an interview with this newspaper. Economic reform is also the basis for and the key to a new relationship between Czechs and Slovaks. The economy goes beyond ethnic frontiers and works to break down barriers. The prime minister, who heads a government made up of members of the Citizens Forum, the "Public Against Violence," and the Christian Democratic Movement, dismissed public criticism of the allegedly slow pace of reform, particularly on privatization, which has been on the rise over the past several weeks. While any slowdown would amount to a tragedy, Calfa said, the necessary steps cannot be undertaken any more rapidly. The command economy built up over a period of 40 years cannot be transformed in its entirety in the space of 10 months. After all, it took the FRG four years to develop a stable economic foundation after the war, despite massive help from abroad.

Until recently, Calfa complained, the West has been providing a lot of political support but little economic aid. Only now the "right" economic partners, e.g., Volkswagen and Siemens, are coming in and showing serious interest in cooperation. Calfa did admit that the proper conditions for cooperation such as investment agreements, joint venture legislation and transfer of profits, were not created rapidly enough. He also said he could understand that Western firms needed some time to familiarize themselves with conditions in Czechoslovakia.

Czechoslovakia wishes to keep up its deep and traditional relations with the FRG and the GDR, and now with the united Germany. The economic changes on the territory of the former GDR are posing difficulties for Czechoslovakia which maintained close economic relations with East Germany. Czechoslovak agriculture for example is entirely dependent on the former GDR for its harvest combines—and currency union has made them vastly more expensive. Talks are now underway with Germany on what future trade conditions should be like and how problems might be resolved. The process of unification and restructuring of the industry of the former GDR may also help Czech and Slovak industry to reorganize "perhaps more quickly than they could on their own."

Calfa pointed out that "small-scale" privatization of small businesses and the service sector which is planned as a first step will not only enhance economic efficiency but also dismantle the "old midlevel command structures." "There are still a great many individuals in leading economic positions who are unhappy with the present developments," the prime minister, who quit the communist party last January and ran on the "Public Against Violence" ticket, said. But it is merely a question of time before this group of individuals is overtaken by privatization. The communal elections scheduled for late November will dislodge the supporters of the former regime from their remaining political posts. The communists no longer play a role as a political force in Czechoslovakia.

With reference to the rise of nationalism Calfa said that nationalistic aspirations are making economic reform more difficult. There are forces at work in Slovakia, he said, which are turning national self-esteem into the central political issue. The real aim is to create an independent Slovak state. There have already been several attempts to loosen Slovakia's ties to the federation, e.g., the proposal to make federal laws subject to approval by the Slovak national assembly. "People will recognize," Calfa said, "that the solution of the national issue is not synonymous with the solution of economic problems." Calfa, who was born in eastern Slovakia, received the greatest number of votes of all Slovak politicians in the parliamentary election. Relations between Czechs and Slovaks are "very, very delicate," and must be resolved in a "careful, diplomatic and patient manner." Strong language is of no help.

Calfa is convinced that only one-third of the population supports the Slovak nationalists. The principal Slovak authorities, the government, the parliament, and 70 percent of the Slovak population are on the side of the federation, something which will become apparent in a referendum that may be held. In eastern Slovakia, where Slovaks, Hungarians and Germans are living side by side people are not as sensitive about national issues as they are in western Slovakia and in Bratislava. Calfa expects an initial change in the division of responsibilities between the federal government and the two member republics later this year to strengthen the position of the latter. The new division of responsibilities is expected to be completed within two years after the new constitutions have been adopted.

Calfa called it "paradoxical" that the sometimes violent criticism directed at him personally in recent weeks had its origin in two opposite political camps. On the one side there was an attempt to punish him for his stance during and after the revolution. On the other side, the criticism stemmed from the "not really novel" conviction that former communists should not continue to hold high office. There are certain indications that these were "professionally engineered manipulations," Calfa said in pointing out that "politicization of issues" and "hatred" found their way into political life after the elections. "The enthusiasm and the general understanding that we must jointly resolve the problems we face have disappeared. Prior to the elections, governing the country was simpler and more rewarding," the prime minister said. People forget "fast, very fast." Many Czechs and Slovaks now returning from vacations in the West which they could not take one year ago are saying that nothing of any consequence has changed.

Calfa does not feel that his government's ability to act is in jeopardy even though it must deal with a host of minor problems. "The German government is working on the unification of two countries," he said, "whereas I have to concern myself with the working conditions of crane operators in the steel mills of eastern Slovakia." The differences of opinion within his government, particularly with regard to economic reform, are a "natural" phenomenon in a coalition. They are differences on substantive issues which it has always been possible to resolve thus far. The signs of decay in the Citizens Forum, the most powerful component of the coalition, do not pose a threat to the government's majority in parliament, Calfa said. It is a peculiarity of the present transition phase that the majorities in the federal parliament are not formed on the basis of party political principles but on the basis of "substantive considerations regarding the problems to be resolved." At any rate, the Citizens Forum is not a cohesive political force which will have to define its political goals more clearly in the future, said Calfa, who has completely discarded the old rhetoric still used by the communist leaders of Bohemia and Moravia. "As in the economy we will also return to the tried and true institutions in political life, i.e., to the political parties. In this instance, too, it has

turned out that there is no third way," said the 44-year-old lawyer, who is regarded as an experienced, pragmatic administrator.

When asked whether the displaced Sudeten Germans might conceivably be included among the former owners whose nationalized property is due to be returned, Calfa responded that the government would "rather not" go back beyond 1948 "for a variety of reasons." Negotiations have already been held and agreements concluded with regard to the "historic" property of well-known families. There is no reason to raise these questions yet again. "The property of these displaced persons is a very delicate matter," Calfa said. This includes not only Germans, but also Poles and Hungarians. If the issue were raised, the question of Czechoslovak property in the Ukraine would also have to be resolved and beyond that the question of joint compensation for losses sustained during World War II. The entire matter is complicated, the prime minister said. Czechoslovakia does not have the strength to resolve it. Besides, Calfa does not think it is necessary to do so at this time. As far as economic reform is concerned, it suffices to go back to 1948.

In terms of foreign policy Czechoslovakia is faced with the second stage of the "road back to Europe." Now is the time to implement the steps which Czechoslovakia announced during the first six months following the revolution. His government, Calfa said, is interested in direct accession to the EC. It has demonstrated its interest in a complete transformation of the Warsaw Pact and wishes to take part in a new European security system. Czechoslovakia intends to become a party to all international treaties which safeguard the democratic rights of its citizens. At this juncture, the country is faced with adjusting to international economic conditions; its economy must become open to the outside world. Calfa said he did not think this would be easy. Prices are rising everywhere and developments on the raw material markets are "not rosy," Calfa said. "The starting conditions for Czechoslovakia are getting worse all the time."

Tension Within Civil Forum Seen as Threat to Unity

91CH0079A Frankfurt/Main FRANKFURTER
ALLGEMEINE in German 18 Oct 90 p 16

[Article by Berthold Kohler: "After the Victory, Collapse Is Threatening—The Czech Civil Forum Searches for Unity and a Clear Purpose"]

[Text] "Civil Forum is drifting to the right," say the leftists in the movement. "It is drifting to the left," according to the right. Both are right: Civil Forum is drifting apart. The organization, which was founded with the single purpose of liberating Czechoslovakia from Communist domination, has been breaking apart slowly but continuously into its political components ever since it reached this goal. The election in the first half of 1990 still provided a certain bond between the

various directions in the Obcanske Forum [Civil Forum] (OF), but the opposing forces have come up to the surface ever since the movement's representatives took over power in the government. Many of the groups which had collected under the OF umbrella, especially those which people attempt to categorize as "right wing," have left the Forum in the meantime—not without having a public reckoning with it first. The remaining forces are split between the main stream of the "centrists," as well as a left and right wing. Just a few days ago, about 60 OF representatives collected in the Federal Assembly and in the Czech National Council to form the "Interparliamentary Club of the Democratic Right." They certainly still consider themselves as a part of Civil Forum; however, they tend to agree with the conservative parties outside of the OF. Last week's declaration that the Civil Forum melting pot "considers itself" to be a political party with a right and a left wing is an attempt, by the forces intending to maintain unity, to stem these diverging tendencies. However, it is possible that this attempt at discipline is accelerating the splitting-up process rather than bringing it to a halt.

The differences in opinion in the Forum become visible above all in the discussion about the speed and manner of privatization. In the public opinion, this is long overdue, and the delay is creating unrest. The most recent arguments in the OF are based on the "big" privatization of the state-owned major corporations. In this matter, the right wing of Civil Forum follows the proposals of the newly elected OF chairman and finance minister Klaus. According to Klaus, every citizen should receive bonds worth Kc1 million, which will gradually be converted into stock shares. The Trotskyist Left Alternative (LA), on the other hand, which is led by the head of the news agency CTK [Czechoslovak News Agency], Petr Uhl, wants to distribute factory ownership, preferably among the workers employed there. Followers of the LA complain that parliament will only discuss Klaus's "radical reform" with its unmistakable social impacts. For its part, the right complains that it is impossible to implement any radical solution because that is already being blocked by the "reform Communists" in the OF. The election of the shock treatment program proponent, Klaus, is a sign however that the conservatives have prevailed and that the movement is tending to move to the right, for the time being, at least. Civil Forum politicians such as Speaker Petr Kucera, who are for a compromise solution between the positions of the two wings, are losing influence.

It is largely the obligatory pleasant hunt for present and past communists which is holding the movement together, although the seed for a split has already been planted here, too. It is now not just the "red," but also the "pink" communists who were loosened from the Czech Communist Party in the 1960s and 1970s, who have come into disfavor. The constitutional lawyer Jicin-sky, a signatory to the Charter 77 and an OF member, was not elected to the head of the constitutional subcommittee in parliament because he had participated in

preparation of the constitutions of 1960 and 1968—"a victory of the Right," according to the leftists in Civil Forum. The (undistinguished) communist past of Prime Minister Calfa is an irritation to many. Bets are already being taken as to whether Calfa, who is supported by President Havel, will survive the coming spring as the head of government. Even the symbolic figure of the "Prague Spring," the current parliamentary president, Dubcek, is no longer safe from attack. The call for a "second revolution," a further housecleaning of the "old structures" from public offices is enthusiastically endorsed.

With the removal of all the old communists from leadership positions, though, the pool of experienced politicians and qualified leaders of industry is shrinking at an increasing rate. Desperately needed expert people are already leaving the country, reportedly because their communist past allows them no prospect of professional opportunities in the future. "The people who are still working under true democratic conditions in public offices are now truly praiseworthy old men," as Prince Schwarzenberg, the chancellor of the president, complains about the thin layer of personnel in the country. In parliament, it appears that representatives of the most widely varied parties cannot explain what they just voted for.

Civil Forum is also suffering under personnel difficulties. Most of the men and women of the first hours have left the political stage or are steeped in the daily chaos in the movement. The majority good-naturedly call the current functionaries "inexperienced amateurs." Others talk about the "third or fourth string." In addition, the "generation of careerists" has halted their entrance. Now as before, Civil Forum is criticized for its secrecy, its lack of a hierarchical structure and the resultant immovability. Demands for the OF to change into a political party with clear responsibilities, a vertical structure and a working decisionmaking mechanism are becoming louder, and it now appears that those demands are being met. The founder of the OF, Jan Urban, recently wrote that the movement will become an obstacle to reform. It must either change or step down. The attempted change from a movement to a political party corresponds to the understanding that the overthrow of power and the administration of power require different forms of organization. Civil Forum is to acquire a clearer profile through a tighter organization by the time of the local elections on 23 and 24 November. This is even if there is still resistance from groups which point back to the unholy past of state political parties of past decades. These groups have an almost panicky fear of "hierarchical structures." They maintain that Civil Forum only has a chance to survive as a "horizontal" movement.

In is still uncertain whether the newly elected chairman will be strong enough or whether he has enough time to pull together the various tendencies in Civil Form. It is also unsure how the political infighting in Civil Forum will effect work in parliament. Previously, a compromise

was always found after long discussions. The government does not yet fear losing a majority in the federal assembly, and laws are being passed there beyond party borders anyway. Many representatives speculate, though, that this could change quickly if the reforms lead to truly crisislike occurrences and threaten Civil Forum with division. The movement's new attitude as a "party" did not disarm the fear that the identity crisis of the political avant garde in Czechoslovakia could grow into a crisis in the overall reform process.

HUNGARY

Horn Comments on 6 October PRAVDA Article, Soviet Relations

91CH0114B Budapest NEPSZABADSAG in Hungarian
21 Oct 90 p 5

[Interview with former Foreign Minister, present National Assembly Foreign Affairs Committee Chairman Gyula Horn, by Peter Vajda; place and date not given: "Joint Efforts Must Be Made To Improve Hungarian-Soviet Relations; Horn Rejects PRAVDA Insinuations Concerning Imre Nagy"]

[Text] [Vajda] Mr. Horn, as chairman of the National Assembly Foreign Affairs Committee you voiced concern over Hungarian-Soviet relations a number of times. What is the basis for such concern?

[Horn] I sense disturbances and these disquiet me. Here we have for example the 6 October article in PRAVDA which is symptomatic of the quality of these conditions.

[Vajda] The article was published two weeks ago. Is it worth rehashing this matter?

[Horn] I have maintained silence thus far, and I am bringing up this issue now because considering the weight of this matter, one could have expected that parties seated in the parliament, as well as PRAVDA would be asked of their opinion. It is a shame that I waited in vain for these questions to be asked, it is a shame that they were not asked. The article claims that anti-Soviet sentiment is raging in Hungary. This is simply not true. One finds isolated anti-Soviet movements here and there, but in traveling throughout the country I find that a majority of the people want good relations with the Soviet Union and that most people observe and sincerely recognize the merits of the efforts made by the Soviet leadership under Gorbachev.

One could also argue with other summary statements contained in the article, thus, for example, the statement according to which Hungarian-Soviet economic relations were disadvantageous from the standpoint of the Soviet Union. Quite naturally there might have been certain aspects of the overall system of contacts which were more advantageous to Hungary and less advantageous to the Soviet Union. But that certain model was not invented in Budapest, and all Central-East European

countries suffered the consequences of that model. In regard to the system of relationships: Two decades ago it was the Hungarian Government which initiated a drive to modernize CEMA. This effort failed as a result of resistance manifested by the then Soviet Government. Budapest cannot be held responsible for conserving an obsolete economic and social structure for so long. Still on the article: It deals in a distorted fashion with the role and person of Imre Nagy. It disregards the fact that his personal tragedy was caused by the fact that he wanted to break out of a system condemned to fiasco. And Imre Nagy's earlier life to which PRAVDA referred does not change this fact; one must not judge on the basis of copies of "documents" taken out of context, and these do not diminish Imre Nagy's greatness as a human being and as a politician, or the leading role he played in 1956. But PRAVDA is correct when it says that our common history must be presented in a credible manner. The emphasis is on credibility, and we were the ones to initiate such credibility.

[Vajda] What place should Moscow occupy in the building of diplomatic relations, in your view?

[Horn] The Program for National Renewal appropriately requires balanced international relations. In order to accomplish this it is necessary that we avoid the publication of statements which unnecessarily irritate the Soviet Union, because every power—and this also applies to the great powers—reacts in a sensitive manner to what they regard as offensive, irrespective of whether they have or do not have cause to believe so. Further, there is a need to actively build relations also in this direction; this is part of the Program for National Renewal when it states that our relations with the Soviet Union must be placed on new foundations. But only two specific ideas are reflected in the program: convertibility and the withdrawal of troops, whereas this issue is substantially more complicated. In terms of economic relations we find that interest on part of Soviet enterprises to do business has declined. This may be related to the fact that in the absence of endeavors to actively build relations, and as a result of some spontaneous statements, elements of tension accumulated in our political relations. (And as long as we have said this: Anything that points toward a constructive way out should be applauded, this is why I learned with sincere good feelings about President Arpad Goncz' journey to the Ukraine.)

[Vajda] The matter you just characterized as an orientational disturbance, could it also influence the conditions of European balance?

[Horn] We are facing a period of Soviet-German cooperation which has never before in history existed. Hungary is between these two great powers. It is in Hungary's existential interest to maintain dynamic, active, and balanced relations with both of these powers, because while many things change, the realities of geography remain the same.

POLAND

POLITYKA Weekly News Roundup

91EP0047A Warsaw POLITYKA in Polish
No 42, 20 Oct 90 p 2

[Excerpts]

National News

[passage omitted] The main pretenders to the presidential armchair have begun their campaigns. Lech Walesa met with about 3,000 members of Solidarity, according to GAZETA WYBORCZA, 2,000, according to ZYCIE WARSZAWY, at a rally near the Warsaw Steelworks. At the end of the meeting, there were some disturbances, the police did not intervene. Walesa said at the steelworks: "After my victory, there will be a great airing out in Warsaw. The government will change, but the direction of Balcerowicz's reforms will be retained. I support him, but as a practical man, I have many doubts." The Conference of the Citizens' Committees came out in support of Walesa (91 votes for, 7 for Mazowiecki, 35 took no position). Tadeusz Mazowiecki started his campaign in Krakow. "Why did you choose Krakow?" "You invited me." The premier spoke of the rebuilding of the authority of law, of the protection of property, of peace and harmony. He emphasized that, "We cannot yield to demagogues with magic measures for healing the economy." During the prime minister's visit to the city, there were regrettable disturbances; anti-Semitic slogans appeared.

The initial decision of the State Election Commission says that each candidate for the presidency will have one hour of television time and two hours of radio time.

At its plenary conference, the Polish Episcopate commented on the presidential election. "The bishops and clergy will not enter into party and political discussions nor will they conduct election activities." They recalled, however, the moral principles that should guide such activities. In particular, the relation to political opponents should be marked "by respect and understanding of intentions." The bishops encourage the faithful to participate in the campaign and in the presidential election. The bishops supported the position of the secretary of the Episcopate contained in the letter to the president of the Radio and Television Committee. "Priests have for some time noted with concern—which they have expressed on more than one occasion—the improper actions, incongruent with Christian culture and Polish national tradition, of some people responsible for the radio and television programs. The social means of communication, as is apparent from the very name itself, is the property of society and should serve society. The mass media should serve truth and respect for superordinate values and not become an instrument of manipulation, distorting truth and arousing social anxiety." [passage omitted]

A group of outstanding scholars has published a letter on religious instruction in schools. The scholars draw attention to the basic and practical reservations about the recently completed operation (the clash with current law, the threat of conflicts, discrimination). They conclude: "The [Catholic] Church should resign from the desire of extending its influence into the state and in secular institutions. We consider the pressure exerted on the Ministry of National Education to introduce Catholic religious instruction into state schools as a symptom, and not the only one, of yielding to such desire." Among the signatories are the anthropologist Tadeusz Bielicki, the biologist Wladyslaw Kunicki-Goldfinger, the mathematician Andrzej Bialynicki-Birula, the sociologist Antonina Kloskowska, the physicist Jozef Werle, the lawyer Leszek Kubicki, and the historian Andrzej Garlicki, a colleague on our editorial staff.

The idea of a referendum to be held with the presidential elections failed in the Sejm. The questions were to determine whether the current or future parliament is to adopt a constitution, whether there should be a second chamber (senate), and when the elections to parliament should be held. There were 118 deputies against, 161 for, and eight abstentions. A majority of two-thirds was required. [passage omitted]

At a rally near the steelworks in Warsaw, L. Walesa, asked why he does not have his own daily, responded: "They are developing the papers well, and you will take them away later." Andrzej Drzycimski, Walesa's spokesman, confirmed the comment: "Yes, democracy will take them because in free elections new political forces will appear that will want to have their own publications. And they have a choice: either they will create them from scratch, or they will take them from others who have lost politically. The example of the Workers' Publishing Cooperative is the best response here."

The Unification Congress of the Polish Socialist Party (PPS) will be held near the end of October. Four movements intend to unite: the Polish Socialist Party (PPS) of Jan J. Lipski; the Polish Socialist Party-Democratic Revolution (PPS-RD) led by Cezary Mizejewski and Piotr Ikonowicz; the Polish Socialist Party Provisional National Committee (PPS TTK) of Grzegorz Ilko; and the Polish Socialist Party Abroad (PPS na O) of Lidia Ciolkoszowa. The party will not present its position on the presidential election before the congress.

On Wawel Hill, Cardinal P. Macharski blessed and handed over to the Krakow police a standard with the image of the Archangel Michael. Among those participating in the ceremonies were Minister K. Kozlowski; J. Widacki, deputy minister of internal affairs; and the voivod.

Bishop Boleslaw Pylak, bishop ordinary of the Lublin Diocese, received representatives of the Main Board of the Union of Soldiers of the National Armed Forces. The bishop drew attention to the need to recreate the true

history of the national Armed Forces in order that the memory of its soldiers be preserved for their descendants.

The first issue of the new daily of the Polish Army POLSKA ZBROJNA has appeared. In a lengthy article, "Restore the Army to the People," Jerzy Slaski, the editor in chief, criticizes its predecessor ZOLNIERZ WOLNOSCI which spoke "not with the voice of the Army, but with the voice of the omnipotent Communist Party, which appropriated the Army for itself." He writes of the wall which communism raised between the Army and the people over 45 years and says, "It is necessary finally to begin bringing down this wall." Editor Slaski paid a visit to Bishop Zbigniew Kraszewski, pastor of Polish combatants, and presented to him the program strategy for the paper. On the front page, the editors print the bishop's letter "God's speed" in which the bishop predicts, among other things, that in the coming year a World Congress of Combatants of the Republic of Poland will be organized in Warsaw in conjunction with a national pilgrimage of soldiers of the Polish Army to Jasna Gora.

In the diplomatic world, Prof. Jerzy Lukaszewski, rector of the College d'Europe in Bruges, who has lived abroad for the last 30 years, was accepted unanimously by the Sejm Commission for Foreign Affairs as ambassador of the Republic of Poland to France. Boutayeb Mustafa, ambassador from Algeria in Warsaw, declared that his country will liquidate its embassy at the end of October, and that the ambassador of Algeria in Prague will probably be accredited with the Polish government. "In seeking posts to be closed the least efficient are chosen. In the expose of Minister Skubiszewski on Polish foreign policy, we are in a distant position. You have your priorities, we have ours," the ambassador told GAZETA WYBORCZA.

The Sejm has recalled Minister Aleksander Hall from his post in the government. The minister resigned a few days ago in order to devote himself to the presidential campaign of Tadeusz Mazowiecki. The Sejm adopted the Law on the Protection of the State Boundaries without any opposition. It adopted the Law on the Service of Border Guard Functionaries with only one vote against. It calls for the formation of a special, paramilitary border guard under the minister of internal affairs to replace the Border Guard Troops (WOP). The parliament rejected proposed amendments to the Law on the Ombudsman for Civil Rights.

Tadeusz Hupalowski remains the head of the Supreme Chamber of Control. A motion on this matter received a majority of 121 deputies. There were 114 against and 45 abstentions.

Opinions

Janusz Onyszkiewicz, deputy minister of national defense, on Polish relations with the Warsaw Pact:

(TYGODNIK POWSZECHNY 30 September 1990)

"First, it cannot be an organization above the nation, to which Poland cedes even the slightest part of its sovereignty; in particular, our military forces must always be under the exclusive control of a Polish commander, of the Polish government, of the Polish parliament. Second, Poland's alliance obligations deriving from membership in a pact will be limited to the defense of Polish territory." [passage omitted]

Zbigniew Bujak, leader of Citizens Movement—Democratic Action (ROAD):

(From a press conference in Torun, GAZETA POMORSKA 6-7 October 1990)

"In our small, poor country, we had something very valuable, the political capital of Solidarity, built with the hard work of its members. Such capital can be converted into money on foreign markets. We lost it because nothing like Solidarity exists any longer; its leadership also no longer exists.

"The decision to turn Solidarity into an election apparatus will lead to its final collapse and the destruction of the union. In my opinion, it will cause Solidarity to pass from the political scene, and the people who made the decision will be personally responsible before history for the collapse of Solidarity." [passage omitted]

Disagreement Between Poles, Belorussians on Bialystok Status

Bujak Comments on Situation

90EP0039A Bialystok KURIER PORANNY in Polish
17 Oct 90 pp 1-2

[Article by (kr): "An Unemotional Look at the Belorussian Question"]

[Text] Yesterday two meetings with Zbigniew Bujak took place in Bialystok. Bujak is one of the leaders of the Citizens Movement for Democratic Action [ROAD] and is also one of the plenipotentiaries for Tadeusz Mazowiecki in the election campaign. Both in his meeting with students and in his meeting with the residents of Bialystok in the pillared hall of the Voivodship Office, Zbigniew Bujak set forth the political program of the Democratic Action Movement and presented Tadeusz Mazowiecki's political goals.

Poland's future will depend upon its ties with Europe. Poland's entry into Europe is dependent upon whether we are able to adapt ourselves in all fields of public life to the standards currently in effect in civilized countries. The changes that are taking place in Eastern Europe are being followed very attentively in Western countries. The West is particularly alarmed by the signs of intolerance and nationalism which have arisen in our countries.

ROAD harks back to the tradition of Polish tolerance. This tradition has allowed various peoples and religious

groups to live together in one republic for many centuries. Tolerance for national minorities and openness to our neighbors are especially important in today's times. Our route to Europe passes through Germany. However, if we are closed-minded with regard to the Czechs, the Ukrainians, and the Belorussians or if we quarrel with them, Europe will also not be willing to welcome us.

The meetings were impacted by the issue of charges made against Minister Skubiszewski during his visit to Minsk. Zbigniew Bujak called for an unemotional approach in this matter. The Belorussians admitted, after all, that they are not ready to negotiate with the Polish state. They are at present in a very difficult situation, which explains the rashness with which they have addressed the problems of the Belorussian minority in Poland. However, we should be compassionate with them, since we ourselves recently have met with compassion from other states when we acted hastily in similar matters.

In the future Europe, the Europe to which we aspire, state borders will not divide. In the thinking of Tadeusz Mazowiecki, Bialystok should become the center for economic and cultural cooperation with Belorussia. This is an important role for which the people of our town should prepare themselves. It creates an opportunity for the development of Bialystok. (It is worth noting that Wojciech Holownia, the vice president of Bialystok, is promoting the idea of making our city a center for trade with the East).

The meeting with students, for which the university auditorium was filled, proceeded very smoothly. However, the meeting in the Voivodship Office auditorium, which was packed, was a rowdy one. Several avowed opponents of Tadeusz Mazowiecki were in attendance, including a man who takes every available opportunity to call out several anti-Semitic slogans and a citizen who attended both meetings only to tell those assembled that Zbigniew Bujak is a leftist and that ROAD was created out of sympathy for Communism. Stanislaw Korolkiewicz, head of the Bialystok KPN [Confederation for an Independent Poland], who supported the candidacy of Lech Walesa, gave a lengthy address which was, like all her speeches, impassioned.

Border, Discrimination Issues Dominate

91EP0039B Bialystok KURIER PORANNY in Polish
16 Oct 90 p 1

[Article by (PAP): "Minister Skubiszewski's Talks in Minsk a Fiasco: Is the Bialystok Region an Ethnically Belorussian Area?"]

[Text] The Belorussian stage of the Polish diplomatic offensive, which was embarked upon by the Republic of Poland's Minister of Foreign Affairs Krzysztof Skubiszewski during his visit to the USSR, Russia, the Ukraine, and Belorussia, ended in a fiasco.

Despite an optimistic beginning to the Polish-Belorussian talks, they did not conclude in the signing of a joint declaration. Belorussian Minister of Foreign Affairs Piotr Kravchenko stated that the Belorussian side is not yet ready to sign such a document.

Belorussia, which is experiencing a severe political and economic crisis, emphasized more than once during the talks that its recently proclaimed state sovereignty is just beginning to be created. At the same time, the Belorussian side voiced several substantive reservations with regard to the draft declaration. While accepting the inviolability of the state borders created after World War II, Belorussia demurred in principle from the reference made to the agreement on the Polish-Soviet state border concluded on 16 August 1945 between the USSR and the Republic of Poland. It based its argument on the fact that it was not a party to this agreement. Belorussia likewise voiced its reservations regarding the entry stating that the existing Polish-Belorussian border, which is marked out along the land itself, is inviolable now and in the future.

During the course of the plenum, Piotr Kravchenko, Belorussian foreign affairs minister, noted the results of a popular referendum held in 1939. Zenon Pozniak, leader of the Belorussian Peoples Front, stated during the meeting of the Polish minister with the parliamentary opposition that "the Bialystok region is an ethnically Belorussian area."

Some divergence of opinion between both sides was also noted on the issue of the national minorities situation—the Polish minority in Belorussia and the Belorussian minority in Poland. The Belorussians stressed that the rights of the Belorussian minority are not respected in Poland, pointing out the destruction of churches and the closing of Belorussian schools. They adopted the position of the wronged and not of a partner in talks, said one Polish diplomat.

During Minister Skubiszewski's Minsk talks, the local opposition raised the problem of discrimination against the Belorussian minority in Poland. The Bialystok area was called an ethnically Belorussian district. This coincided with the recent visit to Bialystok of a delegation from Minsk, composed of key figures of the local opposition. The Belorussian Democratic Union [BZD] hosted them. However, this entire visit was kept secret. One may suspect, then, that the Minsk delegation had obtained biased reports.

It is risky business to question the Polishness of Bialystok, where the BZD candidates received scarcely a few percentage points of the votes in municipal elections and where it is difficult to fill up a classroom of people interested in studying the Belorussian language. Thus, to speak today of discrimination against the Belorussians in Poland is to lie. Such an attitude does nothing for Polish-Belorussian relations and it can even be detrimental to the growing cooperation between the Poles

and Belorussians in several Bialystok voivodship gminas that are right next to the border.

Demoralized Police Force Losing to Rising Major Crime Wave

91EP0041A Munich SUEDEDEUTSCHE ZEITUNG
in German 18 Oct 90 p 10

[Article by Thomas Urban, Warsaw: "A New Name Does Not Catch Thieves: Polish Police Helplessly Facing a Drastic Increase in Crime"]

[Text] "When we saw that, we cried," the commissioner said in his smoke-filled office behind his shabby desk. The veteran detective is referring to a report about the West Berlin Police that Polish television broadcast recently. It was no film of the type that was previously common in Poland and other socialist states: The police as cops in capitalism in which the little guy is pestered and exploited. For Poland is no longer socialist. On the contrary, the Polish custodians of the law cried when the film depicted what resources the police in West Berlin have to fight crime: mobile radios, fast duty vehicles, containment searches, computer terminals for verifying automobile license plates in seconds, an electronic fingerprint archive, and a directional microphone.

There is an additional aspect to this impressive list of modern devices and technology the Polish colleagues can only dream about: A salary with which one, in fact, cannot accumulate any riches but with which one can make ends meet, paid overtime, social services, and about six weeks of vacation.

The police in Poland have a good reason to be disturbed. They do, in fact, bear their old name again ("police" instead of "militia") and civilian rank structure has been in effect for a while. Former lieutenants have now had to get accustomed to the title of inspector for a few weeks, and majors must get accustomed to the address of chief superintendent. However, the problem for the custodians of the law in Poland is not one of names and titles, but a crime wave on all levels in the entire country in the face of which they appear to be fighting a losing battle. The rate of all types of offenses has skyrocketed and has doubled or partially tripled compared to last year.

Almost every day, daily newspapers carry reports on crimes, not individual cases, but organized gang crime which appears to have spread over the country like a blanket. Foreign currency exchange services have to pay Mafia protection for the most part and taxi gangsters rob Polish tourists who arrive from the West with stereos and video recorders at the main train station or the airport. Another taxi gang uproots the competition in front of some international hotels and in front of the airport in order to soak foreigners for a tenfold fare. Entire units of pickpockets who, linked to each other by radio contact, do not even stop short of attacks in broad daylight infest nearly every train station.

In addition, Poland has become the crossroads for automobile black marketeers and gold smugglers. Many indications also are that Poland is supposed to become one of the gateways of invasion to West Europe for drug traffic from central and Southeast Asia in the coming years. The country itself has also become an interesting market since the zloty has been stable, and conversion to hard currency is no longer a problem.

Poland has joined Interpol again in order to better combat international gangs. Cooperation across borders was no longer desired under communist leadership. The poorly equipped Polish police usually have little more to do in their own country than to register crimes. In some big city neighborhoods, the success rate in solving cases of breaking and entering or robbery is less than five percent. Accordingly, tradesmen who install heavy locks and put bars across windows, as well as shops that offer gas pistols and MACE, or firms that equip houses with alarm systems are experiencing a boom. However, professionals are not deterred by all this; they clean out rooms in spite of the howling sirens, knowing full well that none of the neighbors will get in their way and the police will be there in one hour at the earliest.

The reasons for the rapidly escalated crime rate are manifold. The number of unemployed continues to increase quickly; 1 million are expected by year's end. Welfare and unemployment compensation are not sufficient to prevent slipping below the poverty level. The already pathetic real incomes have decreased on average by one-third, due to adamant fiscal restraint by the government and the concurrent decontrol of prices in January. And a minority which is profiting from the new capitalism likes to flaunt its riches, and is thus stimulating covetousness.

Many politicians and journalists also see more profound reasons; they speak and write of a "moral crisis of society." They see the reasons for this, on the one hand, in the traditionally detached relationship of the Poles with the authorities and, on the other hand, in the long communist reign during which social categories such as honesty and industriousness were debased because one was quite clearly only able to make progress by conforming, and through moral cowardice and hypocrisy. A representative stated in front of Parliament: "We used to have a regime of fear. Now people have the desired freedom, but many cannot or do not want to see its limitations."

Renaming the police is also supposed to represent a new beginning for the custodians of the law who are additionally disparaged by numerous cases of corruption. Nonetheless, the gray uniforms will remain, and the blue patrol cars will not be repainted as originally planned. Money for this is not available. For the most part, essentially the same officers are heading the police departments. For that reason, young police officers have quit the force in droves; pay and advancement opportunities are too poor. Four thousand regular jobs are not occupied in the district of Warsaw alone. This results in

a total of 15 detectives looking after the suburb of Praga North, with 150,000 inhabitants, in which the ratio of unemployed is especially high. For this, there is a total of three duty vehicles at their disposal.

YUGOSLAVIA

Tudjman Alleged To Have Serious Health Problems

*91BA0060A Belgrade OSMICA in Serbo-Croatian
11 Oct 90 p 11*

[Article by Blazo Sarovic: "What the Medical File of the Supreme Leader Is Like. Is Franjo Tudjman a Sick Man?"—first paragraph is OSMICA introduction]

[Text] A man with such high blood pressure and other illnesses can effectively carry out only with difficulty the functions of the leader of a government that wants to become part of Europe. Indeed, we haven't even dealt yet with the fact that everything should be known about the officials right at the beginning of the preelection campaign. What has the staff of Dr. Franjo kept secret?

According to what his medical file shows, Dr. Franjo Tudjman is a sick man. He is sick enough that a question can fairly be asked about how fit he is to perform the appropriate duties of his post. The ailments from which Tudjman is suffering are of such a nature that they can have a significant effect on the performance of his duties and his decisionmaking.

Although Tudjman himself probably no longer has the illusion that belief in his democracy exists as a widespread phenomenon, especially after the forced implementation of the democracy of the Croatian Democratic Society (HDZ) became known, he and other HDZ leaders have not stopped convincing us further of their complete democracy. They especially wish to be compared with the democracies of the Western hemisphere. However...

If the principles of western democracy were applied actually and consistently in "our nice" democracy too, the question looms large whether the leaders of the Croatian political parties could be in the positions where they are now. We can state almost with certainty that a significant number of them could not even accidentally be at the head of a party or group that counts at all on normal people as adherents. If not for any other reason, then certainly because of their state of health.

For example, it is known that presidential candidates in the United States, before presenting themselves to the voters, must pass comprehensive examinations and tests by a military medical commission. Only when the doctors have rendered their decision can a candidate appear before the voters. It is also known that several candidates in America, because of dependence on visits to a psychiatrist and on "tranquilizers," have dropped out in the early stages of their candidacy.

This question is posed so sharply with Americans that a man with a serious organic illness or injury does not even attempt to enter a race for election to any leadership position. At preelection meetings, John Kennedy had to perform actual gymnastic exercises in order to prove to voters that consequences of a wartime wound had not left a noticeable trace on the base of his spinal column. If by any chance Kennedy had also been hit in the head, it is more than certain that he and the Kennedy clan would not even have thought about entering the race for the White House. So it is in America and their democracy.

With Croatian leader Mr. Tudjman, and his concept of democracy, it appears that he would never even have thought of presenting a picture of his medical condition to his voters. If he had, those who placed their trust in him would probably have wondered instead at the miracle that their Franjo could even move. The list of his ailments is indeed long. It is quite clear to doctors, and laymen as well, that a man with a blood pressure of 180/120 is seriously ill. But that's Tudjman's "reading," under normal circumstances. However, that's the least of what is plaguing the Croatian supreme leader. A look into his medical file discloses that the aged retiree Tudjman's place, instead of in the governing palace, should rather be in some sanatorium or spa.

Dr. Tudjman has long had, instead of a spine, an ossified column with little or no blood circulation. Doctors explain that someone with such an ailment suffers terrible headaches for the suppression of which strong medicine must be taken. Tudjman has myocardiopathy with stenocardia, along with angina pectoris. Some findings classify him among people who have or are prone to epilepsy, and who are characterized by explosiveness in reacting, a tendency toward hysterical reactions, and excessive detail in presentations.

The diagnosis of "unkatroza" [as published] alone, an ailment that leads to serious disturbances in an organism, particularly causes unbearable headaches and can have a significant effect on the psychological state of a person, doctors say. A sign of psychoneurosis conversiva actually designates a strongly emphasized neurosis, accompanied by fear, anxiety, tension, organic disturbances, and insomnia. Along with this, as a supplement just to the main features of Tudjman's illnesses, it should be added that the supreme leader breathes with only a part of his lungs. But, even this is not all: In 1980 Tudjman was in an automobile accident and suffered a serious head injury with a severe brain concussion (he sustained a commotion and a contusion of the brain), after which he experienced dizziness and fainting spells with strong headaches for years. Neurologists claim that this type of diagnosis means that the brain is "well shaken up." Unrhythmic changes have been found on his EEG picture. Along with polymorphous discomfort, circulatory problems are also apparent with Tudjman, and laboratory findings for his blood and urine are not at all satisfactory.

The medical file of Dr. Franjo Tudjman also reveals to us something else of particular interest. Ever since Tudjman's preelection campaign, his publicity staff has been trying to convince us that his father and a part of his family suffered during the war under the Ustashi; this was supposed to dispel the notion of Tudjman as the reincarnation of Ustashiism. The information in his medical file states that Tudjman's father, Stjepan, was killed after the war. We do not know for now how and why Stjepan Tudjman was killed, but it is believed that Tudjman's "retinue" will come out with the real explanation. In addition to satisfying the curiosity of the "populace," the job of press research on this question would be shortened as well.

And since we are already talking about explanations by ignorant people connected with Dr. Tudjman, perhaps this would be a real opportunity for his "Bleiburg" role and his meteoric rise from a low-ranking World War II Croatian Army officer to the rank of partisan general to be explained.

[Box, p. 11]

Surname and name: Tudjman, Franjo

Treated in the hospital from 21 to 23 February 1983.

Diagnosis: Myocardiopathy chr. Stenocardia. Angina pectoris. Hypertrophy ventriculi sin. Hypertension arterialis. St. post. commotionem et. contusionem cerebri a.a. III.

Condition upon release: Dyscopathy vert. cervicalis et. thoracolumbal. Laesio neuromotorica extr. inf. utq.

Findings and epicrisis: Allergia corporis. St. post. apendectomiam a.a. IV. Atheroscler. generalisata. Psychoneurosis conversiva.

The patient was admitted for treatment because of pains that he has from time to time in the area of the heart as well as discomfort next to the spine and circulatory problems. In the anamnesis he cites polymorphous discomfort. He brings medical documentation on treatment. He has a poor appetite, normal bowel movement, urination in a weak stream. "RR" [as published]: 160/100. Limited movement of the neck. Weak breathing in the upper parts, somewhat quieter tones in the heart. Laboratory findings: "SE, KKS" [as published], liver tests and "transaminaze" [as published] as well as "suk" [as published] and urea are at normal levels. Urine: very opalescent albumin, "sed.v.p.prekriveno L." [as published] considerable mucus and bacteria, a lot of "hij." [as published] and leucocytes of cylinders. "Rtg." [as published] heart and lungs: "hiloperihil." [as published], uneven drawing, diaphragms placed higher. Enlarged heart shadow of aortal configuration.

Great Hopes for Future SFRY President Mesic

91BA0074A Zagreb DANAS in Serbo-Croatian
23 Oct 90 pp 18-19

[Article by Vlado Rajic: "Croat for Unraveling"—first paragraph is DANAS introduction]

[Text] It can be said that the new vice president of Yugoslavia, with solid links to his party, can tell a difference where his statesmanship obligations are concerned.

Amidst the turbulence of political events, Stipe Mesic has put together one of the fastest postwar political careers in Yugoslavia. As recently as the beginning of the year, he was a nearly anonymous member of the HDZ [Croatian Democratic Community] preelection staff, and during the campaign he made a name for himself as the head of the most immediate team of people in the confidence of Dr. Tudjman. In May it became clear that he would end up at the head of the government; as the new Croatian premier he searched 100 days for his cabinet of ministers, and after only 80 days he became Croatia's candidate for member of the Presidency of the SFRY, and according to schedule the vice president of the collective leadership of the state. At this speed of political affirmation, to heighten the paradox, Mesic has been shadowed by numerous problems, and each rung that he has climbed has been encumbered with a dilemma: Should he advance, or under pressure from factional turmoil within the HDZ withdraw from the center stage?

The confidence with which he approached the news conference after the Assembly's tug-of-war over his appointment, joking about the absence of his "chief" from the session at the moment when his successor was to be named, and especially the way in which he repeats key political assessments like memorized verse, demonstrate that he has arrived at this post totally prepared. This confidence draws into question the estimation by analysts that Mesic's Belgrade promotion is due to a drop in ratings in the closest circles of the HDZ and to pressure from so-called hawks to remove this moderate from the ranks of those who represent the will of both the party and the nation. The reason: As Dr. Tudjman announced Mesic's nomination for the federal post, it appears that people failed to evaluate the key clause in the motion. Specifically, the president of the Republic reminded the Croatian assembly delegates of the term of the agreement on the future countenance of Yugoslavia and of the fact that beginning in May 1991, it is Croatia's turn to have "its" man at the head of the state and federal Presidency. If the reports leaked from the meeting of the HDZ caucus, according to which the attack on Mesic was the central point of discussion, are realistic, then why is the pragmatism of the circumstance not affected by the refrain, repeated several times by Dr. Tudjman himself, referring to the fact that the position of Croatia and its place in Yugoslavia depend too much on internal and external circumstances? Thus, why not

include among the reasons for Mesic's departure to Belgrade this statesmanlike stature of the president, who for his own party and for the broad political public regards himself as Mesic's immediate boss.

After all these circumstances of political promotion-demotion have been mentioned, it is good to remember one detail: Since his resignation from the post of Croatian premier, Mesic has gone on a political tour, giving numerous speeches on just as many occasions, and offering a very firm option for intra-Croatian, and especially Croato-Serbian, relations. It is he who is the originator of the syntagm about "a Croatia that is, if necessary, on its feet in one hour," which Dr. Tudjman adopted as a suitable representation of the statesmanlike and national position towards events in Knin. This was seconded by Mesic's successor in the post of premier, Josip Manolic, through his behavior, regardless of the fact that on many occasions he has quite clearly criticized the republican government by remarking that it has wasted the time accorded it from its current mandate. And incorporated into this criticism was a great deal aimed at Stipe Mesic.

The life history of the jurist from Slavenska Orahovica, for some time employed by the judiciary, then in the economy, a convict and "political convalescent" for his role in the big scene, allows one to draw broad conclusions, or rather speculation about the processes that are under way in Croatia and Yugoslavia. For example: Mesic's assessments of the overall position of Croatia, of the future Yugoslavia, of the political order, the army, and his assessments of certain other questions do not follow from the context of that which the party, and even more the Croatian, provenance offers as the known political position. Nevertheless, it is precisely Mesic who is the briefest in his interpretation of this position, the most bluntly concise, which gives him the role of a frequently quoted person. But as such, the objections of the adherents of other options are on target, much more than the appraisals of his partisan and statesmanlike importance allow. Speaking in short political phrases without embellishment, he not only throws the journalists who talk to him into despair (like doing a real interview with an interlocutor where the responses are shorter than the questions), but also pushes political sympathizers and opponents alike towards endless rhetoric. In Mesic's mind, there is no dilemma: His conduct is dry and if necessary repetitive, without any ambition of deviating very far into the realm of the verbal tight-rope artist or political exaggeration. Nevertheless, there is no question that during the aforementioned tour through Croatia, freed of the restraint of the post of premier and still unencumbered by the obligations of the Presidency, he did get into a position of very clearly articulating a firm and, if we dare say so, identifiably HDZ political line. Although deemed a moderate, Mesic has shown his own party colleagues how to represent party policy without resorting to excesses.

During the Assembly skirmishes last week, Mesic felt no need to play the role of the "persecuted Croat in Belgrade," choosing instead to sit quietly in his lister, listening and not reacting, waiting for the matter to unravel. But at the moment of unravelling, the only exultation was manifested in the conspicuous support of President Jovic for the assessment put forward on Friday. Repeated several times at the news conference, this support was depersonalized and directed solely towards the notions of reason, of a policy that cannot be imposed on anyone, of the future of Yugoslavia as a future based on agreement, of the attempt to take the militancy of the quarreling down to a somewhat cooler level. In this way, he passed the parliamentary crisis for which he himself was both the cause and the motive, not allowing himself to be pulled onto the thin ice of personal questions. Neither in Belgrade, before a large group of politically diverse journalists, nor in a television interview on "his" television, before "his" public.

With this type of action, Stipe Mesic also gave a hint of the dimension of the apparatchik in his political credo. The potentiometer built into his personal temperament, the peculiarities of his deportment, the level of bluntness in his assessments and everything else hide him as a person from the public and permit those aforementioned talks about the useful values of the HDZ leadership in performing the party's duties.

Thus, Mesic's portrait is nothing other than a sketch of the political profile of the movement to which he belongs, or of its statesmanlike or nation-building platform. But if this is so, then it is necessary to caution that after the speech by President Tudjman at the Banal festivities, it is clear that in the interval between party discipline and statesmanlike moves, one must expect reforms by the HDZ, with all the consequences for both levels. Speaking on the level that he adopted for his tour, especially during the American visit, arranged by Stipe Mesic himself, it was relatively simple for the president of the Republic to be specific about the resolve with which the problems of the Serbian community and the problems of the Yugoslav struggles for the confederation will be resolved, but also to be specific about breaking loose from the assessed halfheartedness of the Croatian government in resolving both problems. How? By having Mesic, in his speeches, manifest a dose of bluntness to the effect that the attacks on the HDZ and the state leadership by figures from the right wing of the Croatian bloc looked either like soft political wool or at least a uniform coalition principle. On such well-prepared terrain, it was easy for Tudjman to formulate a precise introduction to the several moves that followed.

All of this together is part of Mesic's role, but even in the future it will remain outside the framework of his biography. There will not even be any mention of his statement on TV Slovenia that he is ready to go to the federal leadership, "because I am familiar with the situation inside that leadership and the people in it." The dose of political arrogance contained in that statement shows that Mesic has in fact prepared himself,

regardless of who his sources of information on the "situation and people" were, and that his departure to Belgrade should be understood as "performance of a duty." All of this precisely because Mesic himself is not in a role that would require that his statements and actions be evaluated as an announcement of political lines. One can conclude that he will demonstrate his political usefulness by implementing the known, by filling in the gap between partisan and statesmanlike theory and practice. This image of a political pragmatist is no longer a rarity on the local scene, but Mesic's contribution in forming this political class will be significant.

When one turns one's attention for a moment from these general areas to the presidency term with the government's cabinet, it is possible to assert that Mesic, with solid links to his party, can nevertheless sense a difference towards his statesmanship obligations, which is in fact not a characteristic of party functionaries in the Croatian apparatus. For example, at the moment of attacks on him from within the very HDZ, he unintentionally discovered the mood in his party that some questions be resolved through a roundabout course. He says, "We have come to power demanding a rule-of-law state and strict respect for the laws, and no one can force us to trample on that now. Consequently, we must effect the elimination of existing legal limits through normal procedures. And that cannot be accomplished over night."

Protecting the reputation of his party, it is not by chance that Mesic will link this appraisal to the attempts by some HDZ figures to set up a mechanism in the republican assembly for automatically realizing electoral legitimacy without considering procedure and other consequences of order. Like a devil's advocate at the very session of the republican assembly that he attended as an unappointed member of the Presidency of the SFRY, Mesic must be a witness for the entire package of republican laws, while experts of conditions in the Upper Town know that they have been involved in procedure for some time now and that they were returned for finishing touches to the proposer with a notable share of the former premier as well in this return. The view of Mesic as a demoted premier "holds water" in this context as well. The same can be said with respect to several cadre changes and resignations immediately after his departure from the premier's cabinet. Because Mesic explained his position towards the economy and reforms in it by asserting that "we have to start with Markovic's program and take from it everything that is productive to remedy the misery of the Croatian economy."

Being the president of Yugoslav unravelling, with a serenity in his demeanor that can get on one's nerves, he will continue to be the target of attacks by extreme options, regardless of whether they bear a statist or nationalist stamp. There are two reasons for this. First of all, through his demeanor he does not express the revanchism of a person sentenced to endure harsh imprisonment. Secondly, he does not prove his Croatian identity

by associating with people on the Drina with different views. Ready to execute, Mesic will succeed in his mission insofar as the number of champions of these two characteristics becomes smaller in the Croatian political mental makeup itself.

Croatian Official Tells 'Truth' About Special Police

91BA0055A Zagreb DANAS in Serbo-Croatian 9 Oct 90
pp 25-27

[Interview with Milan Brezak, under secretary in the Croatian Ministry of Internal Affairs, by Zorica Nikolic; place and date not given: "The Truth About the Special Police"]

[Text] All members of the forces of the Croatian Republic's Ministry of Internal Affairs from Zagreb have been withdrawn from the field to Zagreb. The business of maintaining public order and peace and protecting citizens and property in the areas where the forces from Zagreb were until now are being handled by the regular militia personnel at the regional public security stations.

It was not a coincidence that in announcing this to the public last Wednesday, Milan Brezak, undersecretary in the Croatian Ministry of Internal Affairs, avoided using the term special forces, as if he thus wanted to distinguish them from those who "break into apartments at night, and by the light of battery lamps mistreat little children and arrest prominent people," from the "drunken constables" who "treat Serbian women in a vulgar manner," from the police ranks "filled with hardened criminals," and from the monsters who "force elementary school children to keep their hands in the air while they lean the barrels of their automatic rifles on their chests and search through their school bags"; consequently, he rechristened them as the "forces from Zagreb." We told him at the beginning of the interview that this was not exactly any sort of camouflage, and that the synonym was not exactly a fortunate choice either. We asked him what the point was, when special forces was the key term that was most used at the Assembly session, and when, after all, the entire press gave his announcement the title "Special Forces Withdrawn." By the way, we do not see the point of the euphemism "special forces" at all, since a day earlier, as we remind Undersecretary Brezak, he announced on the radio that the Croatian police were an expert and professional organization, which only carried out the task assigned by the constitution, protesting that it was being put in the context of politics. It is known, however, that the police have never, in any society, been authorized to make political decisions themselves, and that always, even when they have acted on their own behalf, they have acted on behalf of the political authorities in question. If we may be completely accurate, we may explain the issue of the euphemism by the fact that the internal affairs authorities, whether they are called the police, militia, or constabulary, have always been linked to the state

organs, and that it is naive to believe that that no longer exists (or no longer will exist) in a multiparty system.

[Brezak] I did not intend to deny those facts. What I was thinking of was something else. When people say, look at what POLITIKA EKSPRES wrote on 2 October—"Ranko Polimac's child a hostage until his father is caught," or "the special forces are alcoholics, often in Croatian houses and cafes, and are vulgar in front of girls of Serbian nationality," or "the constabulary is keeping a large number of Serbs prisoner in Glina" (VEČERNJE NOVOSTI, also of 2 October)—I am only quoting two or three of the Belgrade press's remarks about the special forces; it turns out that they are not professionals who are trained to fight terrorism and so forth, and that they are not separate units trained for separate tasks, but rather political fanatics! These are, in fact, extremely crude insinuations, aimed precisely at politicizing the police, and aimed at driving the police into politics. What does it mean, for example, when people say, "The special forces are going after the Serbs"?! The special forces, if they are going after anyone, are going after an unidentified crowd, or an identified criminal, or an identified terrorist, and they are doing it as experts, professionals. But the thesis, for example, that the special forces are "going after the Serbs," or that "they are arresting prominent Petrinje Serbs" (also from POLITIKA EKSPRES), is what I was thinking about. That is politicization of the police, because it means that the police, and thus the Croatian constabulary, are making arrests on the basis of the criteria of prominence, location, and nationality. The same thing is true, for example, when people say that the police are preventing a referendum. They are not preventing a referendum; they are protecting the constitutional order. Or when they say that the police are preventing the people from expressing its will. If if they wanted to, that is simply impossible. How can a group of policemen prevent a people from expressing its will? But it can, and must, take measures to ensure that no one expresses that will through criminal actions. That is what I was thinking of when I say that the police were expert and professional. I was thinking of the political games that are driving them into politics, with the aid of the press.

[Nikolic] Consequently, the special forces, and thus the Croatian constabulary as a whole, and the Croatian government, under whose jurisdiction they are, are completely pure and innocent. Let us say that that is so. We will not mention trivialities, like the unclear confiscation of weapons, i.e., the disarmament of militia reserve personnel in the middle of the night. But we are satisfied with your explanation, because we would have been amazed if you had meant that the police had suddenly become simply ideal overnight. It is known, in fact, that it is in the context of politics by the very nature of things, and that after all, the business of a political police in that sense of the word exists everywhere in the world, in all sovereign states, and that not a single state has abolished it yet.

[Brezak] Of course. The government is a state organ, and in the formal sense, we are accountable to the government, and to no one else. Consequently, if we send some report, or some information, we send it to the government. If I can put it that way, it manages the Internal Affairs Ministry like a cabinet ministry.

[Nikolic] That is clear. It is also clear that the old line of communication has been broken, i.e., the bidirectional cooperation between the Communist Party and the police has been broken off. But doesn't the present coordination with the government also mean, to some extent, coordination that is again more or less with one party, the victorious HDZ [Croatian Democratic Community]?

[Brezak] We send reports on the security situation, for instance, specifically on these current events, which we send to the republic leadership, to our partners on the job as well. We have sent them to the Command of the Fifth Army Region and to the Federal Secretariat for Internal Affairs, as the coordinator, and to no one else. There is thus a line of vertical subordination, and a line of what I might call operational coordination, and nothing more. Before, reports were sent to the Central Committee, to the Socialist Alliance, and they were also sent to the trade union, the youth organization, and veterans. There is thus a major difference, and that is good for the police. That is a major step toward their professionalization.

[Nikolic] The police are becoming professionalized, and opening up to the public, but in spite of that, they are acquiring negative connotations, and not positive ones—especially the special forces. Why is that?

[Brezak] I quoted some titles and sentences in the Belgrade press to you. The tags like "HDZ special forces," "Tudjman's special forces," etc., clearly indicate what this is about and the reason for the odium.

[Nikolic] In the latest issue of the magazine SVIJET, the writer Ivan Kusan, in an interview, says that in a possible script for a movie Vinko Pintaric would have a secondary role, and the main one would be played by incompetent special forces. The criticisms, in fact, are not coming only from Belgrade and the occupied areas, although, admittedly, they are of a different kind. But tell us what and who the special forces generally are?

[Brezak] Above all, that word is the wrong term. Special forces do not exist; separate units do. The minister establishes them, in accordance with article 25 of the Law on Internal Affairs, "because of special reasons of security, the maintenance or establishment of public order and peace, and also in the event of a general danger caused by natural disasters and epidemics." There are two levels: the unit for special tasks stationed at the Ministry of Internal Affairs, a professional unit, and separate militia units stationed in individual regions in the Republic, at individual secretariats, who perform

their regular militia tasks until some special task exists. Consequently, if I may put it that way, they are special forces as needed.

[Nikolic] We must admit that we do not see any essential difference between special forces and militiamen trained for separate or special tasks. Regardless of what we will call them, however, who are they really?

[Brezak] They are young men under 30 years old, as a rule, with certain psychological and physical capabilities that are a condition for their being accepted and receiving further training. The separate militia units at that second, lower level are formed from among the militia's active personnel, from members of the regional secretariats who have a predisposition to perform additional, more demanding, and more difficult tasks, and within the framework of the Educational Center a Ministry unit is being formed from graduate cadets from the second year of the final level of the Internal Affairs secondary school, after which they go through a special training program.

[Nikolic] What is the training program for the special forces like?

[Brezak] I will go through it only very superficially: They are trained to fight saboteurs, terrorists, and criminal groups, along with tactics for establishing public order and peace that has been disrupted on a large scale; they are drilled in how to act when public transportation vehicles have been seized; they have special training in the use of weapons, chemical means, and also training in topography, combat skills, antisabotage defense, and, naturally, a theoretical part that has to do with psychology, special warfare methods, etc. In addition to all of that, and within all of that, they also specialize as divers, skiers, parachutists, snipers... They are, thus, young people, healthy lads, who have come to the unit because, if I may venture to put it that way, they themselves want to be commandos. But the context in which they are being used today does not permit them that, and is instead driving them into political games and struggles.

[Nikolic] Is it really possible for them to become "quick, effective, and timely in undertaking..." all those supermeasures and to learn all those superthings in a very short period of time?

[Brezak] You see, the education of the new cadets in the course for training militiamen, which the Ministry started last summer, which has already been going on for years and which used to be done in Valbandon, but is being done in Zagreb this year, has been moved up... also...

[Nikolic] Excuse me, what do you mean—it has been moved up?

[Brezak] The course regularly used to begin in the fall; this year it began sometime in July. As usual, a competition was held for that course, because...

[Nikolic] Excuse us for interrupting you again, but why the rush?

[Brezak] The reason for the rush was that the Ministry determined that we had a large shortage of officers in the field. Because, I must tell you, during the change of regime some people—a large number of people—retired.

[Nikolic] How many?

[Brezak] Well, somewhere around a thousand of them. And this was voluntarily, all of them resigned voluntarily. Absolutely all of them, every single one.

[Nikolic] You are certainly not emphasizing that without a reason. Did so many policemen really get old suddenly?

[Brezak] Among those thousand people are some who left for another job, or who are doing other work.

[Nikolic] Do you, perhaps, have an ethnic breakdown of those who left?

[Brezak] No. No, I do not. But they were by no means, for example, all Serbs. It was not harassment in any case. These are people who simply, even before the new regime, on the basis of some views of their own—truly their own—decided to retire. The law permitted them to do so. Accordingly, it was necessary to fill those jobs, and a public competition was announced; whoever wanted to applied. People, about thirty of them, who had committed criminal acts and misdemeanors, of which they had been convicted, also applied. At that time the news was spread among the public that here we were accepting, training, and employing criminals.

[Nikolic] News is also being disseminated about the rapid course for constables on Simunska Street, full buses or trucks, volunteers of one kind or another....

[Brezak] That is not any kind of rapid course! It was held in Zagreb this year for purely technical reasons; it was simply that we had vacant spaces on Simunska Street, because it was summer vacation, and it was easier and simpler both for them and for us to train them here. At any rate, I will refute all of those inventions for you with a very specific fact. As I told you, everyone who wanted to and met the minimum conditions applied for the competition, even convicts. They came to be looked over, and so forth. Nevertheless, about 600 people were hired. Here, I will read it to you exactly as it says in the decision—"hired for an indefinite period, in the service of the militia, to perform the work of an operational employee with medium professional training, and thus obtain the title of junior militiaman." This was from about 1,700 applicants.

[Nikolic] 600?!

[Brezak] Six hundred, yes. So far; up until we have been speaking. Six hundred of the applicants in the competition. Look, all of them already have medium professional training. None of them has been in trouble with

the law! And those people, as junior militiamen, have been deployed to militia stations, etc.

[Nikolic] We do not doubt the validity of those facts. Something else intrigues us: The new ones hired were fewer by almost half than those who left.

[Brezak] That is true. And a new course is already being prepared, because we have to fill the whole contingent.

[Nikolic] We note something illogical, however: If there are fewer of them than there had been, and those who retired certainly turned in their weapons, why was it so urgent to confiscate 60 percent of the weapons from the police reserves for the needs of the reinforced regular force?!

[Brezak] It was not any kind of urgent decision.

[Nikolic] Perhaps it seems so to people because the weapons were confiscated in the middle of the night. But, well, we will let that go, but, at least for some strategic political reasons, couldn't this have been done not only in the daytime, but also in areas predominantly inhabited by a Croatian population?

[Brezak] I do not want to comment on that. After all, that is outside the agreed-upon framework of the subject of unveiling the special forces.

[Nikolic] You are right. If we can return to the subject, however, the trouble is that you do not have an ethnic breakdown of the police. Certain comparisons would certainly be interesting. Specifically, former minister Vilim Mulc recently, sometime in April, as he put it, "soundly refuted the insinuations that this was a 'Serbian police' in Croatia": Of the total number of employees in the Croatian Internal Affairs service, only 30.5 percent were Serbs who declared themselves as such, 51 percent were Croats, and in the administrative structures at 17 secretariats, 75 percent of the administrators were Croats, and 12.5 percent were Serbs. He also mentioned that the Croatian nationality did not yet have well-developed traditions of choosing that profession. Naturally, in a democratic country there should not be any dismissals on either an ethnic or ideological basis, but allegedly there are some sort of rosters for replacement on the basis of precisely those criteria?

[Brezak] That is not true; and I do not know of any such rosters. In any case, I can state that Croats were in a considerable majority among the applicants who were accepted. There were Moslems, and there were Serbs, but there was not a single Albanian. Not because they were not welcome; they simply did not apply. Consequently, the news reports that we took contingents of Albanians who arrived directly from Kosovo because they were dismissed down there are pure lies. I can assert that with full—the greatest—responsibility. Otherwise, I must state that the Ministry is working on—I won't say improving—but rather bringing the ethnic structure of the police into accordance with the ethnic structure of the population.

[Nikolic] Has the structure of the special forces changed?

[Brezak] Yes, it has changed, because through the competition we obtained, for example, young men who had already mastered combat skills in everyday life, who have a secondary school education, who are drivers, divers, and parachutists. And the reinforcement has been completed, just like the reinforcement of the militia stations, because the special forces are fluctuating personnel. People get married, for example, or similar things, which does not mean, of course, that a special officer cannot get married! Consequently, they have already brought some of their qualifications with them, if I may put it that way, and they have already been in training for four months now.

[Nikolic] Somewhat less, but that is not important. But why "already"?

[Brezak] Do you know how long training at a police academy in America lasts? It lasts six months. And in six months a man becomes a complete policeman there.

[Nikolic] Are there people from abroad among the special forces?

[Brezak] I would have to check on that, but I do not think so. I think that now among the applicants there are people who have lived abroad and who want to come and be trained as police officers. But let me tell you that the essential thing is this: That competition was not organized to create any sort of famous special forces, but rather simply to fill out the militia units in the field. Naturally, with the change in regime, a positive attitude has been created among Croatian youths with respecting to going into police service.

[Nikolic] Are these special forces who went into the "hot area," from which they have all been withdrawn now, you say, the same ones who captured Pintaric?

[Brezak] Yes, clearly.

[Nikolic] Do they include any people from the so-called higher ranking special unit?

[Brezak] Yes, naturally. Both them and the ones from the individual secretariats, and the regular militia personnel.

[Nikolic] If we have really "unveiled" the special forces in this interview, if everything negative that is attributed to them is really a lie, and if they have really always identified themselves and conducted searches and used tear gas and nightsticks only as experts and professionals, then we have no more questions.

[Brezak] But I must tell you this as well: We should not expect all our militiamen to be ideal. Certainly authority can be exceeded, there can be primitivism, emotions, and inadequate training for a person to control himself, and in short, to be only a policeman in the field, and leave everything else at home, from personal problems to party membership. But that does not mean that it is all right to invent phenomena on the basis of individual

incidents. That is not fair, to say the least, not to mention everything else that it is or is not.

Croats Polled on Future Bosnian, Serbian Elections

91BA0055B Zagreb DANAS in Serbo-Croatian 9 Oct 90 pp 28-29

[Article by Dejan Jovic: "Bosnia and Serbia by Croatian Standards"]

[Text] It is already certain that the latest political developments in Croatia (the public opinion poll in Zagreb was conducted during the great tension caused by the Petrinje events) will promote a growth in the popularity of the more radical politicians, as well as the parties that are proving themselves to be the most faithful interpreters of the national interests of the Serbian or Croatian people. The way in which hot and cold periods have alternated in politics was also shown by the last four public opinion polls that the DANAS team conducted after the multiparty elections. Thus, in September, a month when there was a certain detente in political relations in Croatia, the trend toward ethnic polarization weakened. In the last issue of DANAS, we recorded the first cooling of public opinion toward certain hard-line politicians, and the results show that in that month the HDZ [Croatian Democratic Community] also lost three percent of its voters. Last month there was also the first significant return of the voters who "deserted" the SDP [Party of Democratic Changes] to their party, although the strongest opposition party is still far from taking back even half of its former voters. And now, as in previous months, those who ceased to support the SDP remain outside the supporters of the other parties—30 percent of them do not know now whom they would vote for, or state that they would rather not vote for anyone; only five percent of the former voters have joined the Serbian Democratic Party [SDS], and one percent more have joined the HDZ.

Last month, in fact, 11 percent of the SDP voters supported the ruling party. The ethnic bipolarization has, of course, had an extremely unfavorable effect upon the political chances of the SDP, and it could happen that increased tension might threaten an interruption of the negative trend.

Markovic Is Good—For Others

In September greater political apathy was noted among [ethnic] Yugoslavs, and so 37 percent of them today would rather not vote for anyone. Thus, Yugoslavs will now be in a situation in which they are virtually not organized at all, although the programs of many of the political parties with an ethnic orientation declare themselves to be opposed to their very political existence. A party that could possibly represent Yugoslavs is Markovic's Alliance of Reform Forces [SRSJ], but one can hardly expect any successful campaigning by a party that has virtually not even been founded in Croatia.

Markovic's party, however, just as it is, has so far gathered six percent of the former SDP voters, more than the SDS and the Croatian Socialist Party, a party with a Yugoslav orientation, were able to do.

Many citizens of Croatia, however, see the prime minister's party as the most acceptable political organization in the Bosnian election campaign. In a poll conducted among 1,000 respondents from all of Croatia about which party would best rule Bosnia-Herzegovina after the multiparty elections in that republic, 22 percent of the citizens answered "Markovic's Alliance of Reform Forces of Yugoslavia." That answer was twice as frequent (44 percent) among Yugoslavs in Croatia, and was also chosen by 56 percent of the SDP members, and 50 percent of its former voters. It is interesting that the Communists in Croatia and their voters are more eager to see Markovic's party win the Bosnian elections than Durakovic's.

Serbs in Croatia are also rooting primarily for a victory by Markovic and Kecmanovic in Bosnia-Herzegovina: 44 percent are for the SRSJ, and 36 percent are for the SDS. Croats, however, would rather choose the two national parties: 42 percent think that the HDZ would best rule Bosnia-Herzegovina, while 32 percent would support the Democratic Action Party [SDA]. It is interesting that the positive attitude toward the SDA increases with the level of education. The reverse is true of the HDZ: 43 percent of the citizens with a lower education and 19 percent with a higher education believe that the HDZ would best rule Bosnia.

The position that Bosnia would be best ruled by the Communists (the Bosnia-Herzegovina LC-SDP) was expressed only by seven percent of the respondents—most among Yugoslavs (23 percent) and the SDP supporters here (20 percent), and almost none of the HDZ and SDS voters.

And whom would the citizens of Croatia like to see in the office of Serbian president? That question took almost everyone by surprise: Forty-eight percent of the citizens do not support any of the possible candidates, and another 22 percent announce that they do not follow events in Serbia. None of the candidates presented to date has any more inclination toward the Croatian people than Milosevic, and only six percent of the citizens of Croatia would like to see him as the Serbian president.

The Serbs in Croatia, however, put Milosevic convincingly in first place; 34 percent of the respondents of Serbian nationality would like him to win. Even Jovan Raskovic, even if it were possible for him to be a candidate, would not even get a third of that number of votes. Vuk Draskovic is the favorite of nine percent of the Serbs in Croatia. The SDS voters also prefer Milosevic: 55 percent of them are rooting for the Socialist president, and 13 percent for Draskovic. The only group that puts Draskovic instead of Milosevic in first place consists of the respondents who voted for

some other party (usually the Communists) in the April elections, and since the elections have become members of the SDS; 32 percent of them chose Draskovic, and 26 percent Milosevic.

They Do Not Want a Leader

The poll thus shows that among the part of the Serbian people in Croatia who have some sort of view on political life in Serbia, Milosevic's prestige stands above all others, but only a third of the Serbs in Croatia support his personality and policy. Another third either are not following the elections in Serbia (nine percent) or cannot decide on any of the possible candidates (21 percent). The remaining third of the Serbs in Croatia would opt for one of the other candidates—most for Raskovic (who really cannot be the president of Serbia), then for Draskovic, and least of all for Dobrica Cosic, Tomislav Karadzaj, or Kosta Caveski.

A clear majority of the rest believe that there is no suitable candidate in that electoral race. There are three possible motivations for such a position: The first is a genuine belief that there is currently no promising politician with a democratic orientation in Serbia. The second is that there is not enough information about those elections, or objective possibilities for any insight into their course. The third, however, is unfortunately the expected nationalistic intolerance. That third of the "undecided" respondents wrote answers on the survey forms such as "He has not been born yet," "No one, everything is crazy," etc. After forms that have been filled out like that, analysts perceive as a sensation the rare messages of peace, such as the ones that the president of Serbia should be the "one who wants peace," and "someone who would conduct the policy of his own republic and leave the Serbian people in Croatia to live in peace together with Croats," and one who would be "if possible, a younger Democrat with a European orientation."

Some of the survey forms also had written on them the names of possible candidates in whom people would have more confidence; as many as 20 of the respondents believe that the most suitable one would be Bogdan Bogdanovic, and 11 of them recalled Dragisa Pavlovic. Some of them also noted the names of Aleksandar Bakovic, Bosko Kovacevic, Vojislav Seselj, Dragan Veselinov, and even Azem Vllasi, Ivan Stambolic, Milos Minic, Nikola Ljubovic, Zivan Berisavljevic, Tomislav Marcinko, and Srdja Popovic, and the curiosities also include the proposal of certain Croatian citizens for that office: For example, Franjo Tudjman, Sima Rajic, Djime Djodan, Stipe Mesic, or Stipe Suvar.

In view of the results of the poll, it is most likely that the Croatian public will accept the future regime in Serbia in approximately the same way as the Serbian public is accepting the Croatian leadership—if one can judge by the Belgrade press.

Naturally, this is important only if the state of public opinion will carry any weight in negotiations on the fate of Yugoslavia.

Which party would rule Bosnia-Herzegovina most successfully?	
HDZ	34%
SDA	27%
SRSJ	22%
Bosnia-Herzegovina LC [League of Communists]	7%
SDS	4%

Cardinal Kuharic's 'Anti-Serb Message' Condemned

91BA0050A Belgrade NIN in Serbo-Croatian 12 Oct 90 pp 16-17

[Article by Aleksandar Antonic: "Cardinal Inciter"—first paragraph is NIN introduction]

[Text] The newest Kuharic anti-Serb "message" fits right into the framework of the increasingly aggressive approach by the highest Croatian clerical-nationalist leaders for the benefit of the Tadjman members of the Croatian Democratic Community, behind whom stand still darker forces than they are themselves.

Franjo Kuharic, cardinal of the Vatican Curia, president of the (Catholic) Bishops Conference of Yugoslavia, and the archbishop of Zagreb, has accused Serbs in Croatia of preparing to kill Croats!

To avoid confusion, here is the entire quote from Kuharic's message "on the occasion of the events in Banija and Knin," as reported first by Radio Vatican and then by GLAS KONCILA in Zagreb:

"It is obvious to all that freedom and democracy in Croatia are gravely threatened by some forces that break into police stations, remove arms and ammunition, and thus arbitrarily destroy by force the peaceful life of the citizens of Croatia.

"These facts are clearly an expression of the threat not only to the Croatian people in Croatia, but also to all citizens of other nationalities who wish to live quietly with others in freedom and equality.

"Whoever removes weapons by force from lawful institutions for preserving order and peace, and thus the security of citizens, is certainly led by the intent to impose his will on the Croatian state and its citizens. When anyone obtains arms in this way, it means that he wishes to kill others. All this is an attack on the harmony, freedom and peace of citizens. These grave threats and the danger that Croatia will be turned into an area where bloody mutual accounts are settled, force us to call on all men of good will to resist vigorously this menacing terror in our country."

These are the words of Franjo Kuharic; the italics are mine.

Naturally, Kuharic does not say that "some forces" means Serbs in Croatia, but how he describes them

(Serbs in Croatia) and what he attributes to them—it's more than clear. Those who "take weapons by force," naturally, are not Tadjman's "specialists," from whom Serbs are defending themselves, but Serbs in Croatia who "wish to kill others"—and who else, but Croats!—so Kuharic also calls for the "vigorous resistance (of the 'specialists') to this menacing terror in our country," in Croatia!

Sanitized of the appropriate phraseology, this type of incitement and spreading hatred of Serbs have not been heard in these parts since Pavelic's Independent State of Croatia (NDH) and its policy, according to which one-third of Serbs were to be killed, one-third catholicized, and one-third driven out, collapsed. Franjo Kuharic is causing the NDH and its genocidal policy toward Serbs to rise like a vampire, especially with an order to the Catholic clergy (not only in geographical Croatia, but also elsewhere where they operate, therefore, all over the world) to "spread this message to worshippers in their parishes and to organize in an appropriate manner an appeal for peace in our homeland." And that this is by no means Yugoslavia, but only "Croatia" (but it is not yet known how large the "Croatian state" is or what it is like)—there is no doubt.

Only a few days earlier, while visiting Croatian emigrants in Canada, Kuharic, according to GLAS KONCILA, "warned especially of the danger of Serbian domination," frightened listeners with Seselj "who is announcing war for Croatia" (with a "Serbianism" that all "Serbs" in general are like), and referred to the "violence in Kosovo." He spiced up this type of incitement (deceiving himself that it would be useful to him) with the admission that the "Catholic church in the past, during the war (see!), after the war, and now, stands with the same viewpoint"!

Moving on to the United States, Kuharic asked the following question in New York: "How can the Croatian government and the Church in Croatia be accused of being an instigator of violence?" And then he answered himself, returning to Zagreb and accusing Serbs of preparing to kill Croats!

It is clear what the normal Croatian Catholic, the "little godfather," who believes Kuharic and his priests, as well as others who will listen to the sermons in Catholic places of worship, should conclude from the latest anti-Serbian attack by the Cardinal of the Vatican Curia, who is instructing that his message be read all during October, especially in churches of the Zagreb Archbishopric.

They must conclude that Serbs in Croatia, as well as anywhere that they may be, are guilty "for everything" (and let that be interpreted as broadly as anyone wishes).

Radio Vatican broadcast Franjo Kuharic's "message" in its entirety in a program for Catholics in Croatia on Tuesday evening, 2 October, just at the time when the Presidency of Yugoslavia was seeking a way out of the

acute crisis caused by the actions of Croatian "supreme leaders" against Serbs in Croatia. Kuharic and the Vatican certainly knew when the Presidency would meet (it was publicly announced). Therefore, the "message" was well timed, and served as a special "stimulus" for Tudjman and Kucan, who were holding their separate (or separatist) "confederalist" talks in Zagreb at the same time.

Therefore, the "means of dissemination" that first informed the Croatian public about Kuharic's latest action was Radio Vatican. Whoever heard its broadcast realized that the world Catholic society was once again included in the anti-Serbian harangue in this way.

Something else is interesting about Radio Vatican: The next day this organ of the papal state, sent in a "message" an "abundance of blessings to the exemplary Cardinal Franjo Kuharic, Bishop Franjo Komarica, and all who carry the name of the Assissi saint"...etc. That saint is Francis of Assissi, founder of the Franjevac order, about whom John Paul II specifically spoke the same day to assembled pilgrims.

Precisely "in conjunction with the papal statements" on that occasion, Radio Vatican greeted all "Franjos." Not each one separately by name, but, after Kuharic and Komarica, certainly implicitly and as the next one in line, the newly elected Croatian "supreme leader" himself, Franjo Tudjman.

The newest Kuharic anti-Serb "message" fits right into the framework of the increasingly aggressive approach by the highest Croatian clerical-nationalist leaders for the benefit of the Tudjman members of the Croatian Democratic Community, behind whom stand still darker forces than they are themselves.

Their penetration into Bosnia-Herzegovina on the eve of the parliamentary elections is clear. Catholic clerics, with Kuharic at their head, are louder and more active there than Tudjman's people themselves.

Their penetration into Vojvodina is also obvious (NIN 2075 of 5 October 1990—"The Eastern Policy" of the Vatican").

The pontiff of the world Catholic multinational body himself, Pope John Paul II, has included himself in all these activities of his branch in Yugoslavia. He greeted "in Hungarian," Radio Vatican points out, "a group of Hungarians from Banat and Backa, in Vojvodina," giving them instructions about what they should do "in their homeland"—"preserving their national identity and the faith that they received from their ancestors at the same time." Not a word about Yugoslavia, of course. The pope also gave a special greeting "in Croatian" during those days to Catholic pilgrims from Sombor, who were present at one of his sermons in Rome.

As far as Kosovo is concerned, the anti-Serbian Catholic propaganda (from Ljubljana, Zagreb, Urosevac, the Vatican and other countries) is continuing in the known

context, but there are also new indications. Strangely, even at a glance these indications are tied to the policy of the Vatican in Montenegro and regarding Albania; they are not separate, but parts of the same whole.

Eloquent detail was stated to Radio Vatican by Ratko Petric, rector of the "Papal Croatian Institute of St. Jerome in Rome" (once an overt branch of the Ustashi), who described the activity of the "Montenegrin Province of the Sisters of the Immaculate Conception" in Cetinje. This Catholic order for women was expelled from Ljubljana in 1946 and found refuge in Cetinje. Now, according to Peric and Radio Vatican, it is a school "particularly for Albanians from Kosovo and Montenegro" from which they are best sent to Zagreb, Kotor and Dubrovnik to finish their education, and all within the context of this statement by Peric:

"We are glad to think and desire that God can prepare a young Albanian cadre that would tomorrow be able to be a light on the education of the remaining Catholics in Albania when the border crossings begin to be opened more freely." (In the context of the separatists' intention to "form a federation" with Albania?)

In light of this statement, the overall activity of the Catholic Church in Kosovo, with ample support from Slovenia, Croatia, and the Vatican itself, assumes a very specific significance. Certain forces, not only in Kosovo, but also in western Macedonia and in Montenegro, are preparing for a "great Albania" in that some tyrants are offering Serbian and Yugoslav Kosovo as a reward for the "opening." The Vatican is one of those forces, and is not concealing this. At the appropriate time, even Pope John Paul II himself has been shown to be a patron of the "unification" of the Albanians, and recently one of their diplomats clearly sought (Vatican) opening of the last bastion of Stalinism (and some worse things) in Europe.

The Vatican representative, Angelo Soldano, recently announced to foreign ministers of participating countries at the Conference on Security and Cooperation in Europe held in New York, the possibility that Albania would also "soon find its place after its laws and legal system manifest positive change, especially in the area of human rights." Soldano added that the Vatican "wishes to establish ties as soon as possible with believers of the Catholic Church in Albania, with that community of unshakeable and heroic faith." That, and nothing more, is essential to the Vatican for now. Later—things will go further.

As far as Kosovo goes, that's not all. At the same time as Kuharic's "message," a report of the "Justitia et Pax" Commission of the Bishops Conference of Yugoslavia, over which Cardinal Kuharic presides, was announced—again over Radio Vatican. Persistently referring again to the "poisoning of children" in Kosovo, this organ of the Zagreb church calls for the "acceptance of refugees"—naturally not Serbs, but Albanians—from the southern province of Serbia, to complain to the "world public," etc.

Everything shows that the unit of the world Catholic society stationed in Yugoslavia is fishing in troubled waters wherever it thinks it can.

In Croatia, however, all this is assuming dimensions that do not appeal even to many in that unit itself.

An example is an article in the Zagreb daily DANAS (No. 448 of 18 September 1990) written by the Catholic priest Luka Vintsetic. That author is known not only because of his sensible writings, but also because of the fact that he ran as a candidate on the list of (former) Communists in elections in Croatia, and then had to withdraw under the threat of Kuharic's "canonical" sanctions. Nevertheless, he didn't give up. Here is a picture of Croatian clerical-nationalism, a symbiosis of Tadjmanism and Kuharicism, as presented by Vintsetic:

"There is almost no TV, radio or newspaper report that does not mention some church 'celebration,' a consecration of a church, a mass for Radic or the like, and in which discussions are not also found on 'current events' in the political leadership, usually the Croatian Democratic Community. And we have seen (heard or read) that this year's Great Mother of God period was filled with daily political messages from the altar.... Some are beginning to fear that the Church has become a definite political power in smaller locations.

"Any church people within the view of the public are bowing increasingly openly to the Croatian Democratic Community, or to the victorious political party in the latest elections, and thus they can place an unpleasant burden of 'partisanship,' i.e., a special single-mindedness, on the Church. And then the prognosis should not be excluded that this type of behavior by the Church, which is already a phenomenon, will soon clash with a good part of the Croatian intelligentsia."

Should Luka Vintsetic and Franjo Kuharic be compared? The former acts as a voice of reason, while Kuharic is the fanatical (thunderous) herald of Croatian clerical-nationalism. Based on that which John Paul II tirelessly preaches while walking around the world, Luka Vintsetic should be his apostle. According to that which is taking place in Croatia, Kosovo, western Macedonia, Vojvodina, and elsewhere in Yugoslavia, Kuharic is in fact the real follower of Karol Wojtila.

JUTEL Seen as 'Military Secret'

91BA0097A Belgrade NIN in Serbo-Croatian 2 Nov 90
pp 24-25

[Article by Rajko Djurdjevic: "JUTEL as a 'Military Secret'"]

[Text] JUTEL's work on the further demolition of the building formerly housing the Agrarian Bank has been halted. How can one now untangle the ball of responsibility in the heaps of wreckage?

The doormen of KOMUNIST, the building's last occupant, which went into bankruptcy, have been hired privately as JUTEL's bodyguards: They halt protesting citizens who want to look at the building's interior at the entrance, and they prevent photojournalists from photographing the interior of the demolished office spaces. In the afternoon and at night the "doormen" leave for a more responsible duty. In olive gray military containers without electricity or heat, they guard JUTEL's transmitters on Avala and Fruska Gora. These shock troops have carried out 300 hours of guard duty apiece, for which they have now been paid only by JUTEL's promise that they will get jobs as doormen again when the television company begins operation.

What has already been done has turned the historical monument in the center of Belgrade into evidence of complete lawlessness. Two million dollars have been spent on "adapting" the building to JUTEL's needs so far. That work has done more than \$10 million worth of damage to the building. JUTEL's forcible break-in into the Agrarian Bank essentially represents a continuation of "voluntary repurchasing," the collectivization of other people's property, and an extension of the lawlessness that is threatening citizens again.

Who are all the people involved in the mystery of JUTEL's creation? The path the money has taken is a reliable indicator that takes away the right to secrecy. Money leaves an indelible trail for political scandals. What is shown by the facts, which, in spite of everything, are now revealed and clear?

The JUTEL television company was founded on 12 September in Motovun in Istra as a stock company with a start-up capital of \$1,300. JUTEL's director, Nebojsa Tomasevic, portrayed the founders as great authorities in terms of capital and power, but kept their names a strict commercial secret. Now it is already known that even that start-up capital of \$1,300 was borrowed the day before it was founded from Radio Yugoslavia, an illegal founder in any case. The very next day, on 13 September, the unknown stockholders and the fictitious capital, \$1,300, received the confidence of Ante Markovic's government, which added \$5 million. The decision was made at a government meeting, suddenly, as an additional item, and just "to start work." The law explicitly requires that any expenditure of money be published in SLUZBENI LIST SFRJ and its purpose be specified very strictly, to the smallest detail. Some minor expenditures were found in the SLUZBENI LIST report, but the \$5 million for JUTEL was not even mentioned. This amount undoubtedly represents only the initial outlay. At the government meeting the budget was revised in connection with that, and it was increased more than eightfold, more precisely by \$23 million [as published]. (The funds for a financial contribution to BORBA were also allocated from that amount.)

Unemployment, collapsing enterprises, and new dismissals of workers who in any case have already dropped below the margin of minimal subsistence, represent the

social picture of our tense reality. To start with, JUTEL has thus obtained \$5 million from Ante Markovic's government. If other television centers do not agree to broadcast its program, as has already happened, it is essential to invest another \$300 million to build JUTEL's television network. At a press conference JUTEL director Nebojsa Tomasevic explicitly stated that it was a private television company. What interest led the federal government to use federal reserves to finance a private television company?!

The other official characteristic of JUTEL is that it is a "supraparty television company." What, then, is the structure of the political and party membership of the almost complete government that is financing this "supraparty project"? Ante Markovic's government was elected as a communist one, but is now acting cohesively under the auspices of the Party of Reform Forces of Yugoslavia. We asked that party's spokesman, Mirko Klarin, for the names of the members of Ante Markovic's government who are already in the administration of the Party of Reform Forces. From his office in the Federal Executive Council [FEC] building, he stated the following: "In addition to Premier Ante Markovic, the following members of the government are in our party: Aleksandar Mitrovic, Zivko Pregl, Bozidar Marendic, Veselin Vukotic, Branimir Pajkovic, Nikola Goseski, Stevan Marjanovic, and Nazmi Mustafa."

How is that party linked to BORBA and JUTEL?

"The Reform Forces of Yugoslavia do not have any sort of link with JUTEL; after all, you can ask them that," Klarin said. "We had an agreement with BORBA's editorial board that it would print membership application forms for our party. They presented us with a bill for several hundred billion—I don't know exactly—and that was properly paid."

Spokesman Mirko Klarin also explained how the Party of Reform Forces of Yugoslavia was being financed. "The money," he said, "is from voluntary contributions from our members and donations from private businessman. One private businessman, a Bosnian, thus made a contribution of 100 billion. 'I'm not giving anything as a gift; I am only rendering unto Ante what is his,' the businessman said. Every day, private businessmen offer us money and services, from rent-a-cars to everything else. Those contributions are particularly significant in Bosnia and in Montenegro, where the party was formed. In Serbia, we are still awaiting large contributions...."

Klarin could not recall the name of the large contributor from Bosnia. Nationality is particularly unimportant to him, he says, like a copy of the experience in the book *Pretender to the Throne*. In that book, a Komsomol member, frightened for the fate of Stalin's Soviet Union, built a bomber with his own money and donated it to the Red Army. That fact aroused the most noble feelings at propaganda meetings. Everyone would mechanically

reach into their pockets for a few kopecks, the only earnings from their "work day."

Yugoslav work days are now being directed toward JUTEL, like a bomber carrying the truth. A party government is financing a supraparty television company, and concealing the traces of it!

Who needs JUTEL? It has not begun its propaganda, but abundant propaganda has already been written about it. This week a private newspaper prominently quoted the results of a "22 questions" survey conducted in the capital by ARGUMENT, the Independent Agency for Political Science and Social Research. Here is part of that article: "JUTEL is necessary in the opinion of 80 percent of the Belgrade citizens polled.... Experts from the ARGUMENT agency stress the unexpected fact that as many as 90 percent of the members and sympathizers of the Serbian Socialist Party supported JUTEL...."

Citizens' protests and curses in front of the Agrarian Bank remained unrecorded. The financial concern of the private newspaper is understandable, but it is incomprehensible why the authors did not provide the public with something more on the prestige of the independent agency ARGUMENT.

ARGUMENT recently appeared as a magazine with 2,000 copies. The imprint did not say who the owner was. The fact is, however, that it belongs to the "Socialism" enterprise. Its acting director, Milivoje Tomasevic, is at the same time also the sole employee of ARGUMENT. Milivoje Tomasevic met JUTEL and its director Nebojsa Tomasevic halfway even before this survey. At the beginning of the "work," "Socialism" loaned JUTEL money twice, "for minor necessities."

Now, at the construction site in the ruins of the former cultural monument of the Agrarian Bank, there are empty whiskey bottles, the traces of formerly full cases consumed in the shock work—the traces of the "minor necessities." Everything nearby is as if it had been done in a drunken state.

The inspectorate and the journalists who asked what all this was about during the work, before they were thrown out, were briefly told, "It is a military secret!"

That answer was not given by the employees, but rather by the supervisors. That answer, again, is not fully authoritative. What facts, however, confirm the involvement of the military forces in everything concerning JUTEL?

The Federal Secretariat for National Defense, the Defense Ministry, and its members, do not belong to the Party of Reform Forces of Yugoslavia. The Defense Ministry showed amazing tolerance recently in Slovenia when the "republic militia" even occupied a military building. Why is there such zeal on the army's part now in this region? Who suggested or ordered that the Ministry be involved in the construction and founding of JUTEL, a private television company?

The military "jeeps" that kept guard day and night in front of the Agrarian Bank during the "work" are only an obvious picture and reflection of the relationship between the Defense Ministry and the government. How else could a military institution, the military post office in Beo Potok near Belgrade, conclude a contract and even become involved in working with JUTEL before that private company was even registered, before it even existed? Neither the JUTEL firm from Motovun nor that miraculous \$1,300 in start-up capital, nor even the anonymous stockholders, were in existence at the "beginning of the work" in August. Who, then, gave guarantees to the military enterprise so that it would join, day and night, and on its own account, in construction work that was worth \$2 million at the very start? Without any documentation at all, feeling that it was not even obligated to ask for it, the military institution destroyed other people's property, a cultural monument, and its own reputation!

The Agrarian Bank's being registered to the federation after the war was done at the orders of Mose Pijada. The federal government, headed by Ante Markovic, considers itself the "natural and legitimate heir" under those "land registers."

Several years ago, the army imported transmitters and some television equipment from the Thompson firm for military needs. Without explaining whether it was thereby weakening the defensive capability of the armed forces, the army, with the justification that it "did not have the money for completion," has now turned over that equipment. Either any danger to this country has passed, or the "private television company" JUTE, "armed" with some military equipment for some special reasons and interests, has offered proof of full guarantees and loyalty.

On several occasions the press in northwestern Yugoslavia, Drnovsek, and other politicians from that area, have stated the danger of a military coup, as if the transmitters and antennas from the military equipment had been erected on Sljemen or on the slopes of the Alps, and not on Avala and Fruska Gora. The range of the transmitters covers Belgrade, Serbia proper, and they are guarded by bodyguards in military containers. All of this, in those outlines, is causing confusion and fear of JUTEL with the Square in front of it.

Innumerable questions await clear and audible answers from the Defense Ministry, which have so far been indicated to the public from the JUTEL construction site only as a "military secret"!

INTERNATIONAL AFFAIRS

Polish, CSFR, Hungarian Defense Ministers' Meeting Raises Questions

91EP0049A Warsaw PRZEGLAD TYGODNIOWY in Polish No 40, 7 Oct 90 p 6

[Article by Miroslaw Cielemecki: "Maneuvers at the Foot of Mt. Giewont"]

[Text] Perhaps the military has succeeded in doing something that has so far eluded the politicians.

GAZETA WYBORCZA called the meeting of deputy ministers responsible for training affairs of the armies of Poland, Czechoslovakia, and Hungary the "summit of the unsovereigns." Deputy Minister Bronislaw Komorowski, who initiated the meeting, categorically denied all suggestions that the foundations of a new military alliance would be laid in Zakopane. He assured that it was only and exclusively a matter of reconciling matters which lie within the competence of training sections. The press, however, caught hold of the baited hook and the list of accredited journalists at the Polish Armed Forces Training Department was very quickly filled with Polish and foreign names.

On the day before the meeting, an attempt was made to dissuade reporters from taking the Tatra excursion. Instead it was proposed that they just take part in a press conference.

In Zakopane (or rather, Koscielisko), to which they drove in the evening, the organizers got out of their cars and immediately slipped away into a so-called manor house (called by some people "Jaruzelowka," and not without reason). This house lies on the land of a military rest center. Somebody forgot to give the driver of the bus his orders. He was to have driven the press people somewhere far away—far away because, apparently after the sensationalist articles, someone had decided that the press should be excluded completely. In the end, a decision was made to keep the press at a safe distance.

In the morning, at a briefing, the reporters were assured that if they expected something sensational, they would be sorely disappointed. There would be education, culture, training, and military chaplain's work—nothing more. "We retreated to Zakopane for the peace and quiet," one of the main organizers finally blurted out. This comment was not lost on anyone, and they all drew their own conclusions. Why would someone have to go into hiding just to discuss cultural cooperation? Then another statement was made that in Zakopane all the routes to contact at all levels should be cleared. The lobbyists murmured that perhaps the military would succeed in doing what the politicians had not yet been able to do. Would they create a trilateral pact or an expanded pentagonal pact? In Budapest, if Premier Mazowiecki did not receive an actual refusal to his proposals to marry into the coalition created in Southern

Europe, he certainly did not get a firm answer. Earlier, President Havel had indicated a northeastern direction to the Poles.

Specifications: Poland: 313,000 square kilometers and 36 million inhabitants. Czechoslovakia: 123,000 square kilometers and 15 million inhabitants. Hungary: 93,000 square kilometers and 11 million inhabitants.

The Polish Armed Forces includes: 314,000 soldiers; seven full-blown mechanized divisions and six cadre divisions; 2,900 tanks; 4,000 armored transporters; 400 combat planes; and 105 combat ships (precise data is available in PRZEGLAD TYGODNIOWY No 39).

The Czechoslovakian Armed Forces (ACS) includes: 198,000 soldiers; five armored divisions and five mechanized divisions; 4,585 tanks (T-54's, T-55's, and T-72's); 4,900 armored transporters (including 1,150 infantry fighting vehicles); 2,100 artillery guns (including 500 self-propelled guns); 500 multidirectional missile launchers; 72 mortars (120mm and 240mm); 74 ground-to-ground rocket launchers (36 Frog-type launchers, eight SS-21 launchers, and 30 Scud launchers); 540 antitank guided missiles (Sagger, Spigot and Sandrel); 250 100mm antitank guns; 575 antiaircraft guns; 210 antiaircraft rocket launchers; three air force fighter-bomber regiments (40 MiG-23's, 20 MiG-21's, 40 Su-25's, and 32 Su-22's); six fighter air force regiments (45 Mig-23's and the rest Mig-21's); three helicopter regiments (50 Mi-24's, 75 Mi-8's, and 60 Mi-2's); two air force transport regiments (a total of 54 An-12's, An-24's, Il-14's, Tu 134-i's, and L-410M's); and an air force reconnaissance regiment (a total of 41 Mig-21's, Su-22's, and L-29's).

The Hungarian army (Magyar Honvedseg) includes: 91,000 soldiers; including 68,000 soldiers in operational armies (the 5th Field Army, which includes three army corps and autonomous divisions); 1,435 tanks (T-54's, T-55's and T-72's); 2,310 armored transporters (BWP's, BRDM's and FUG's); 866 artillery guns (including 276 self-propelled guns); 60 BM-21 multidirectional rocket launchers; 820 mortars; 27 ground rocket launchers (18 Frog-type and 9 Scud-type); 270 antitank guided missiles; 170 antitank guns; 275 antiaircraft rocket launchers; a helicopter brigade; and an air force regiment under the 5th Field Army. The Hungarian Army also includes: two air force fighter-bomber regiments (90 MiG-21's); an air force fighter-bomber squadron (11 MiG-23's); an air force reconnaissance squadron (11 Su-22's); an air force transport regiment (12 An-26's, 4 An-24's, 4 Mi-8's and 4 Ka-26's); two helicopter regiments (a total of 65 Mi-8's, Mi-17's and Mi-24's); and airborne defense rocket units with 120 antiaircraft rockets at their disposal.

What does all this add up to? Was Poland's national defense minister in Prague last week (note that this coincided with the date of the Zakopane meeting!) to give private lessons in addition? Was he invited to Hungary for the same reason? What is the purpose of the

meeting between the defense ministers of Czechoslovakia and Hungary this week?

A second time Minister Komorowski, when pressured by reporters, pleaded that he was not competent to assess the military aspects of future ties between the three armies. He stated that the meeting may create a more favorable atmosphere for possible rapprochement. When asked whether the coinciding of the Zakopane summit with the visit of the Polish minister to Prague was an accident, he replied that nothing in the military takes place by accident.

The entire next day was slated for plenary deliberations and bilateral talks. Reporters were promised that they would be able to listen from an adjoining room to the addresses of the deputy ministers and the generals responsible in the three armies for training affairs. The initial (correct) assumption here was that there are no secrets in training, cultural, and educational affairs. When morning arrived, this proved to be impossible (apparently for organizational reasons), but reporters were offered a stenographic transcription of the talks instead. For these same apparent reasons, the military police and the BOR [Personal Security Unit], all decked out in uniform, became significantly more active. Nearby, armed WOP [Frontier Guard] troops could be seen, as well as commandos in red berets. Entry into the manor house was out of the question. Later we were informed that access to the promised transcripts was impossible (for some sort of outrageous organizational reasons). More speculations. Why, if the Warsaw Pact still formally exists, were all of its members, and particularly the Soviet military, not invited to the meeting? Is it because of the pentagonal pact (Czechoslovakia, Hungary, Austria, Yugoslavia, and Italy) in which Poland is likewise interested? During the secret part of the meeting (in view of the facts, how else can it be termed but secret?), the following people spoke in order: Deputy Minister Bronislaw Komorowski; CSRF [Czech and Slovak Federal Republic] Deputy Minister of Defense for Training and Culture Affairs Dr. Antoni Rasek; Secretary of State of the Ministry of Defense of the Hungarian Republic Dr. Erne Raffay; chief of the CSRF Board of Training and Culture of the Federal Ministry of Defense, Maj. Gen. Josef Pavlas; deputy chief of the General Staff, chief of the Organizational-Mobilization Board of the Hungarian Republic, Maj. Gen. Josef Keleman; and chief of the Polish Armed Forces Training Department, Brigadier Gen. Krzysztof Owczarek. After dinner, Minister Komorowski spoke with his counterparts from Hungary and Czechoslovakia. The meeting with Dr. Raffay lasted 15 minutes or so, which in turn shorted the Polish-Czechoslovak bilateral talks.

The press conference was packed. Even NOVOSTI and the BBC were there. The joint report to the press proved to be very general, if not evasive. It discussed the changes taking place in formerly totalitarian armies, the army's withdrawal from its party ties and the like.

The BBC was interested in why so much much time was devoted to fairly clear-cut training issues. Hence, they asked whether the seeds of a triarmy entente had not been planted in Zakopane. Minister Komorowski once again warned that the facts should decide in an assessment of the meeting (i.e., the facts which had gone beyond the walls of the manor house—[author's note]) and not conjecture.

NOVOSTI asked whether the meeting had yielded any determinations, which will be considered at the higher level. They received an affirmative answer. Then they wondered why Czechoslovakia in particular was meeting with military statesmen from other armies, including Western armies, and why the Soviet Union was not being included. Minister Rasek gave an exhaustive answer, the upshot of which was that it was important to have a foot in both camps. The question was also asked whether the Soviet Union was being informed about the course of the talks? The reply was negative.

The ministers spoke of issues of military chaplains' pastoral work in their armies. Poland's reply was clear and has been well known (masses in the barracks, chaplains, soldiers' pilgrimages to Czestochowa and officers' pilgrimages to Rome). The Czechs and Hungarians gave complicated answers. They said that there was complete religious freedom, that the telephone numbers of priests were listed in the units and there were alumni from the seminary who had made their way into the military academy in Hungary, but.... There were many faiths, organizational problems...let's wait for the situation to change...perhaps there will even be services in the barracks, but later. There is a shortage of priests.

In the evening there was a lamb roast. A highlanders' folk ensemble performed. Dr. Rasek sang opera arias in a beautiful baritone. The Marseillaise was sung (in French). Gen. Owczarek sang sailor's songs in English. The Czechs picked out the prettiest highland girls from the ensemble and did some marvelous dances.

In the morning a convoy departed for Balice near Krakow. There was a police and military police escort, lights and sirens were everywhere and the traffic in the cities was stopped by the police. There a government Jak vehicle awaited the three deputy ministers. They rode in the vehicle to Warsaw to meet with Polish Defense Minister Vice Admiral Kolodziejczyk. This was not in the program of the Zakopane summit! Are the maneuvers that were begun at the foot of Giewont moving into a new stage of operations?

POLAND

Defense Industry Adaptation to Civilian Production Viewed

91EP0067A Warsaw ZYCIE WARSZAWY
in Polish 9 Oct 90 p 4

[Article by Eugeniusz Waszczuk: "Opportunities for Defense Industry: Power Shovels Instead of Tanks"]

[Text] In times of turning points in history extreme opinions are usually conceived. This is exemplified by the idea, entertained by some people, that the Polish defense industry should be shut down in view of the changes that took place in the second half of the 1980's in world politics, and especially in European politics. This concept could be contrasted with the evident statement that there is no sovereign country without an army of its own. But as for that industry's need to adapt itself to the new situation, to largely restructure itself, that is a horse of another color, and therein lies the rub.

The Polish defense industry has a rich tradition. Prior to the last war [World War II] 260 factories and plants, including 207 private ones, had worked for the needs of the Army. After the war that industry was markedly expanded and consisted of 84 large enterprises, more than 250 supplier plants, and eight research centers and institutes. Fifty-five percent of the output of these enterprises is based on Polish-developed technologies and 45 percent on acquired licenses, chiefly from the USSR. Despite the standardization and unification of armaments within the framework of the Warsaw Pact, some Polish sovereignty has been preserved regarding arms production. For example, radar is based on Polish design, technologies, and execution. Similarly, Poland specialized in building a number of types of warships and auxiliary vessels as well as in certain domains of army engineer troops, chemical weapons, means of communication, and military electronics.

In the years 1955-89 Polish factories manufactured the following quantities of armaments for the Polish Army, for the Warsaw Pact armies, and for export to other countries: approximately 10,000 tanks; 580 self-propelled Gozdzik mortars; 1,600 medium armored artillery tractors; 8,600 SKOT armored transporters; 18,000 aircraft (including 1,500 MiGs and more than 400 jet trainers); 220,000 machine guns; 1,600,000 carbines and submachine guns; antiaircraft and armor-piercing rockets; ammunition; cross-country and road vehicles; special-purpose vehicles; radio stations; ships; etc.

For all that—and this may be a surprise—only 40 percent of the defense industry's potential is employed for military needs. The greater part, 60 percent, serves civilian needs.

For example, a substantial part of the color and black-and-white TV sets made in Poland is manufactured at the Gdansk UNIMOR, that is, at a defense-industry plant. Similarly, the Kasprzak Works in Warsaw, which provides the consumer goods market with tape recorders, the Nowa Deba works, and the MESKO plants in Skarzysko-Kamienna and Niewiadowo (household appliances—pressing irons, mixers, food processors, meat grinders, juicers, etc.) have the status of defense-industry plants. Many other such instances could be cited. A considerable part of manufactured consumer goods derives from armaments plants. Even such a

typical armaments plant as BUMAR Labedy, a tank producer, manufactures household electric bulbs at its Gliwice affiliate.

It is important that armaments plants are so strongly linked to civilian manufacturing. This will facilitate their passage through the process of restructuring and change. Because changes, adaptations to the new situation, are necessary.

The change in the situation consists chiefly in a marked decline in the orders placed by the Ministry of National Defense with these plants. Their volume at present is only half as large as in 1988. Likewise, other Warsaw Pact countries are retrenching on their orders. This is placing the armaments plants in a difficult situation.

Deputy Minister of Industry Jerzy Modrzewski stated in his conversation with a ZYCIE WARSZAWY reporter: "At present the plants and their management and workforces must look on their own for a solution to this situation.

"The ministry no longer decides on these matters. The searches should be oriented in the direction of conquering new markets and changing the relations with supplier plants as well as revising technologies."

These are no simple matters, and the difficulties in resolving them are linked to the general situation of the Polish economy, to the recession. For example, the possibilities for augmenting output for the civilian market are limited by the weak sales of manufactured consumer goods. The plants are even resorting to vending their products on the streets, off the backs of trucks, but that is only an interim measure. Greater opportunities are afforded by expanding exports, and hence in that field the plants are achieving pretty good results.

A more energetic penetration of the world market is needed. To this end, our defense industry is establishing many contacts, engaging in a variety of negotiations, starting to cooperate with foreign partners.

For example, RAWAR Works has signed an agreement for cooperation with Westinghouse, an American company, as regards the design and production of airfield safety equipment, flight control, and improved radar systems. For the last 15 years the Polish Aviation Works in Kalisz and Rzeszow have been manufacturing parts of aircraft engines for the well-known American company Pratt and Whitney. The Canadian branch of that company maintains a permanent representation in Poland. Talks are under way concerning the establishment of a branch in Warsaw. The Bell Company, a United States maker of helicopters, is discussing cooperation with the Swidnik Transportation Equipment Plant.

In the last two months similar negotiations have been also initiated with other companies from the United States, the Netherlands, France, Austria, Great Britain,

and even the Republic of South Africa. These negotiations concern not only joint production but also joint sales on international markets.

Previously a major customer of the products of our defense industry, especially the aviation industry, has been the Soviet Unions. Shipments from Poland included, among other things, more than 10,000 An-2 short-route aircraft—that is, the popular Kukuruznik—as well as substantial numbers of Mi helicopters and 17-seater An-28 aircraft, and a corresponding quantity of spare parts. Then there is the Polish-Soviet coproduction of Il-86 and Il-96 aircraft. In view of the changes occurring in the economy of the USSR the further evolution of cooperation with the Soviet partner is facing a question mark. And yet, this is a serious question to our aviation industry. In face of the difficulties confronting the plants of that industry, they desire to unite their efforts and establish a consortium. This may be of practical importance, e.g., during negotiations, particularly with Western firms, which find it easier to reach an agreement with a single partner. As things are at present, unlike in the past, the ministry can no longer serve as such a partner.

Below are examples of ways in which certain armaments plants are trying to cope with their current problems.

As late as in 1988, 96 percent of the output of BUMAR Labedy, a tank manufacturer, was for the military. The following year that proportion declined to 86 percent. At present that plant is trying to further expand its civilian output. Under its plan for this year it is to build 40 cranes, 200 specimens of PS 502 chassis, mine loaders, 45 hydraulic shovels (production capacity: 200), and hydraulic motors. It also is activating the production of a new type of hydraulic shovel, automotive cranes, and a vehicle for transporting long-sized elements. It is expected to put into operation the manufacture of other types of automotive cranes, hydraulic shovels, and loaders, as well as of farm tractors.

The MESKO Metal Works in Skarzysko-Kamienna, a manufacturer of ammunition and rockets, is saving itself by expanding its exports of, chiefly, civilian products such as juicing machines, rotary mowers, sodium lamps, and minitractors. Following a period of layoffs they are beginning to hire new employees.

The plant in Niewiadów, a manufacturer of armor-piercing grenade launchers, is widely known as a producer of automobile trailers. Its output for the military has declined, and so it is trying to save itself by expanding its output of exportable products such as truck trailers, camping trailers, and new products such as kitchen blenders, coffee grinders, etc. It has managed to avoid layoffs.

The Polish defense industry, which is distinguished by its quality, facilities, and the skills of its workforces, has varied opportunities for overcoming its problems. However, this does not mean that it should throw out the baby with the bathwater, meaning that it should not

allow shortages in the supply of modern arms to the Polish Army. Generally speaking, owing to exports, that industry is economically self-sufficient and has the resources for production and expansion. In individual cases, however, that is, as regards individual plants, the situation may be otherwise. It is possible to retool from tank production to machine-building but, e.g., the machinery used to produce ammunition is difficult to retool to making anything else—and ammunition is indispensable. It is thus apposite to consider whether in such cases intervention [subsidies] by the state might not be warranted in order to safeguard the industrial potential for national defense.

Commandant on Role of Newly Named Academy for National Defense

91EP0048A Warsaw POLSKA ZBROJNA in Polish
No 2, 15 Oct 90 pp 1-4

[Interview with Gen. Div. Tadeusz Jemiolo, commandant, National Defense Academy, by Lt. Col. Tadeusz Mitek; place and date not given: "The Vision of an Officer for the Future"]

[Text] [Mitek] General, officers began academic training at an institution with a new name a couple of weeks ago. The skeptics immediately asked whether this was anything more than a mere change in the name.

[Jemiolo] I can quiet the skeptics. The name change is certainly more than just window dressing. It signifies a basic restructuring of the academy, as well as its training methods and principles. It's going to be a new military school with goals to match the changes in our army, its role in the structures of a country with a parliamentary democracy, and the nation's defense needs.

[Mitek] Maybe at the outset I'll ask you for information on the new structure and organization of the National Defense Academy [AON].

[Jemiolo] The AON will be based first of all on the Polish Army's General Staff Academy [ASG]. It will consist of four departments: the land armies department; the air force and aerial defense department; the strategic defense department; and the humanities department. It will also have independent institutes and other training and instruction centers created to fit the academy's goals.

The basic form of training will be daily classes, but there will also be extension courses, especially for the humanities and for postgraduate and doctoral studies. We will also set up various courses to suit the needs of the armed forces. The target is to train about 500 students per year. Let me add that this number is lower than the total number of officers the ASG and WAP [Military Political Academy] trained in the past.

[Mitek] What degree will AON graduates receive?

[Jemiolo] Graduates in command leadership fields will receive the title of graduate officer [oficer dyplomowny], and humanities graduates will receive a Master's degree.

[Mitek] Now, General, will these officers and MA's be different from those in the past, as is expected? After all, people are justified in expecting AON to be a pioneer in renewing the officer corps, in creating a military elite and its likeness in society.

[Jemiolo] I understand these expectations. What is more, I identify with these intentions. We are subordinating our activity to the vision of the officer of the future. We are gearing the reorganization of our educational structures and the changes in methodology and scope to the development of a new personal-professional model for our students. We are shifting the balance in the content. We want to emphasize general education. It will be professional military training, but it will also include the humanities.

[Mitek] In other words, this is a vision of an officer who is an expert in his field but it also a broadly educated member of the intelligentsia, a person with a high level of personal culture and a great deal of moral authority in social terms.

[Jemiolo] That's it.

[Mitek] But it takes a certain atmosphere to educate a person like that. Freedom. Independent thinking. Liberal judgment. One associates the academy, on the other hand, with a certain rigidity or regimentation. Maybe that's not correct.

[Jemiolo] Probably not entirely correct. The very thing that will distinguish the system of training we want to introduce from the previous form is the fact that we are getting away from instruction and instrumental training in favor of highly generalized systematic knowledge. The student will be treated as a partner, as somebody who in future will be managing operations to fit the needs of a modern army functioning under the auspices of a national defense doctrine adapted to modern geopolitical and geostrategic conditions. This assumption rules out regimentation. We will be trying to develop the student's ability to adapt the principles of the operational art in a flexible manner, so that he can be mobile in commanding and setting up combat operations under all conditions of the modern hypothetical battlefield. This is why we want to use the humanities and developmental subjects to enhance the curriculum in the command leadership fields and also to give the formation officers military knowledge, so that if need be they can cope with command duties at the appropriate level.

[Mitek] And since the AON course of studies has been reduced to two years, is all this going to happen within that time frame?

[Jemiolo] This would be a short period; if we were still thinking in terms of the old academic framework. The academy is to provide the essential foundation, but the

officer's training should have an ongoing nature, involving self-development and various sorts of continuing education courses presenting the most up-to-date knowledge in the given field. We also want the academy candidate or graduate to earn a civilian college diploma. The modern officer needs information in many fields, both technical and general university knowledge.

At the same time, given the new philosophy and needs of national defense, we expect that in the future AON will be training civilian representatives of the military administration. After all, defense involves more than the mere question of armies.

[Mitek] Does this mean that the academy will be more open than it used to be to contacts with institutions of higher education, that it will avail itself of their experience and will cooperate with civilian scientific staff?

[Jemiolo] Yes, the openness within will be accompanied by an opening up to the outside. Here we want to set up exchanges of academy teachers not only with domestic institutions but also with institutions abroad, including exchanges with western countries for the first time. We envision fruitful results from sharing a variety of experience, opinions, and ways of understanding military doctrines and optimal models for the armed forces.

What is important here is the fact that this exchange will affect not only the lecturers but also the students. I can tell you that at this very moment we have already selected a group of young officer familiar with western languages who will be going to the west for training in military academies there, after receiving the necessary initial preparation.

[Mitek] So there are already real conditions for creating this well-educated military elite, in the intellectual and ethical sense of the word, an elite with broad-based, modern training. General, do you think that this is the way for the service in a short time to achieve a full sense of what is called the officer's ethic, the service's dignity, which has been so deeply rooted in our national tradition?

[Jemiolo] It's one of the ways, or rather one of the conditions. I don't think we are so far from the perspective that we are going to be taking into the army really top-notch young people, fewer in number but better, and that the elitism of the officers' service will soon cease to be a vague concept. It's going to take a serious civilian recommendation to get into this profession.

[Mitek] But, General, reality...

[Jemiolo] I am familiar with reality, so I know what you are thinking. [You are thinking about] current financial restrictions that the military is subject to, material status essential for social prestige, and about decent conditions for insuring and requiring service command. I am not ignoring this, of course, but civil ethical criteria related to the development of a military code of honor are no less important even today.

[Mitek] The academy's role in imbuing the officer corps of commanders and educators with the characteristic features of this military code of honor seems obvious.

[Jemiolo] And this is how we see it too. We want an officer to be guided by the criteria of honor and self-respect: to be honest, sincere, loyal, and congenial in serving; to have an attachment to higher values; for him to be able to think independently and assess what is going on; to be forthright in stating his convictions. At the AON we intend to subordinate the training and instruction process to the development of these very characteristics. We will also be using them to formulate the criteria for evaluating academy candidates and graduates. This is consistent with the call to make the armed forces more human.

[Mitek] Since you mentioned making them more human, a related notion with an associated meaning comes to mind: making them democratic. Some people claim that given the current social atmosphere and the younger generation's attitude toward military service, going too far in making service life in the barracks democratic will not insure effective leadership nor respect for the principles of the system of command so necessary to military operations. In officer training of AON cadets is this dilemma observed as some sort of contradiction between intent and effectiveness?

[Jemiolo] I don't agree it is a dilemma, and I don't see any basic contradiction. Humanism is a certain attitude towards a person, seeing him—this also means a subordinate, too—as a person, respecting his personal needs and dignity. Moreover, those people who think that a democratic stance runs counter to the wise, effective leadership and formation of soldiers, the demands of service, and the resolute discharge of responsibility are either in error or demonstrate their incompetence as leaders.

Democracy in the army is above all respect for civil rights within the framework of superiors' and subordinates' duties specified in the regulations. Without respect for these rights, we will not obtain a model of a national army existing within a democratic country. As Premier Tadeusz Mazowiecki said, such an army would be the country's backbone, a force that would provide stability for a pluralistic society.

[Mitek] General, coming to the end, let me pose a question to you personally. Does your position as a Sejm deputy facilitate your serving as the commandant of an academy responsible for training the staff of commanders of the nation's defense?

[Jemiolo] Undoubtedly. It is an additional duty which demands a great deal, but it is also a great opportunity to make contacts in various political and professional groups, to learn more about the problems the country is going through....

[Mitek] And have you also been able to let your fellow deputies know how difficult garrison life is today, about

how the tight material and training limits are, about how culturally and technically outmoded the equipment is, and about how primitive the living conditions of soldiers and staff are sometimes?

[Jemiolo] I think that the deputies are already well aware of the army's real financial and supply needs and suffer from no fallacies or delusions in this regard. I am convinced that the parliamentary debate to be devoted to an overall review of military and defense problems will take all the budgetary conditions for reforming our army into account. I think that the State Budget will manage to find sufficient resources to modernize our restructured army.

I can assure you that although people in the Sejm said that the army needed certain changes and a reassessment of values, there was never an attack against the army as such. The need for defense and the respect due military service were never called into question. I think that the Sejm's generally positive attitude toward the army will become stronger now.

[Mitek] Thank you, General, for the authoritative encouragement you have given our soldiers and for the interview you have given our newspaper.

Quality of Military Hardware in Use Termed Low; Alternatives Viewed

*91EP0050A Warsaw POLSKA ZBROJNA in Polish
16 Oct 90 pp 1, 4*

[Article by Lieutenant Colonel Pawel Nowak: "Requirements and Possibilities"]

[Text] The armed forces of every country are primarily an expression of its political ambitions and reflect the actual state of its economy. Therefore, our present armed forces are the measure of its previous governments. They are now changing in accordance with the policies of the new government. These changes are not yet perceptible to society, whose expectations generally are limited to keeping expenditures for the Ministry of Defense at a minimum. This is also the result of recent propaganda showing only selected areas of our army, i.e., the best training base, the best combat equipment, barracks, garage facilities, etc.

Nothing bad about the army has been written or said in the official mass media. We see the effects of these actions now, because society really does not believe that..

The State of the Army Is Not as Good...

...as it was "pictured." Hence the difficulties in understanding the needs of the armed forces, and some of society even believes that the army is not necessary.

The truth is that no army likes upheavals and they are also inadvisable from the standpoint of the country's defenses. The need to maintain continuity of command and management is primary. The changes being made may not be showy or striking, nevertheless they are deep

and systematic. For example, it would be difficult to imagine the consequences of an immediate reduction in the strength of the armed forces by 50,000 soldiers, or an overnight change in the way supplies are furnished to the troops. What is needed here is prudence and good organization, so as not to bring about a breakdown in combat readiness and at the same time not cause financial losses.

We are very well aware of our country's difficult economic situation. That is why such determined attempts are being made to make use of the equipment being withdrawn from the army. It is true that some of these changes are not liked by some people. This applies mainly to sales of armaments abroad. But we are withdrawing the oldest weapons, which are sold in very small quantities here and abroad, mainly for museum purposes. It is certainly better to sell these items than to pay to convert them to scrap, which would have to be charged against the Ministry of Defense budget. Ways to make use of every kind of withdrawn armament continue to be sought in the armed forces, but this is a difficult process. Although hunting weapons can be successfully produced from some types of small arms, it is harder to convert a tank or combat plane into equipment which would be useful in the national economy. Although a very interesting fire truck has been built on the chassis of the T-55 tank. The idea originated and was realized in Military Motor Vehicles Facilities No. 5 in Poznan. After the restructuring which ensues from the results of the Vienna talks is completed, significantly smaller amounts of military hardware and equipment will remain in the armed forces than were there a year ago, and than there are now. Until then, the oldest types of hardware and weapons will be successively withdrawn, which also, although not in proportion to the quantities withdrawn, will reduce operating costs. We should also be aware of the fact that operation of the old equipment is much cheaper than the introduction of new equipment to replace it. For example, the cost of operating a SKOT armored personnel carrier is about eight times less than the purchase of a BWP-1, and the operation of a T-55A tank is about three times less than the purchase of a T-72. In aircraft, this indicator is close to three, which is the result of the increasingly higher constructional and technological complexity of modern combat engineering, involving complicated electronic systems, automation, etc., which as a consequence makes for very high repair costs. The truth is that...

One Modern Unit Replaces Several Older Ones...

...from the standpoint of combat advantages. But is this how proportions of equipment in armies change? In introducing a new model of an airplane, for example, are two older ones withdrawn from use? If that were so, then a drop in the amount of combat equipment would be evident in all armies of the world.

The restricted, for several years, purchases of new military hardware and equipment have caused a systematic decline in the modernity of our armed forces, thus

widening the gap between our army and the modern European armies. We now have one of the lowest indicators of armed forces modernity in Europe, calculated as the percentage share of the latest generations of military hardware in the total quantities. In tanks, for example, it is about 26 percent, and in combat planes, about 20 percent. Artificial (deceptive) restructuring improves them by withdrawing the oldest generations of armament. At the same time, the rate at which the new equipment is being introduced has fallen so low that some types would not be fully replaced even in a hundred years.

We have purchased armaments exclusively in Warsaw Pact countries, and mainly in the USSR. We must realize that these countries, ours included, based their production on Soviet licenses and on the standards which the USSR advocated (GOST). As a result we now have such prosaic problems as connecting tractors to trailers. And why even mention the ease of diagnosis or repair, so important in everyday operations, to say nothing of possible combat actions. To this should be added the fact that the USSR was reluctant to sell us their newest combat equipment or the licenses to produce it.

In view of the political and economic changes taking place in Eastern Europe and the USSR, the problem of supplying them with combat equipment in the future has arisen. It is hard to imagine the Polish army equipped with the oldest armament in the world. But unfortunately, that is how it may be in a few years if the necessary decisions are not made and money is not found to purchase the equipment and choose the suppliers. Naturally, someone might object and enumerate our newest equipment (the SU-22 and MiG-29 planes, the T-72A tank, the BWP [infantry fighting vehicle] combat infantry carriers, the self-propelled howitzers and rocket launchers, etc.). Yes, we have them, but their combat advantages and their comparability with the equipment of other armies is also important. By no means do I want to frighten anyone with the picture of our combat equipment, because I personally believe that for the present it is reasonably good. However, the gap in relation to the modern armies of the developed countries is steadily widening, and with each passing year it will become harder and more expensive to bridge it.

As a result of the restructuring actions taken, the structures in the army have been changed;...

Target Quantities of Basic Weapons...

...have been established, although not finally, because this will be decided on the basis of the Vienna talks. Nevertheless, the size of the problem of equipping the armed forces is already evident. We know which equipment must be replaced first, which must be supplemented, etc. True, the current state of our economy has brought these actions to an impasse, but this does not mean that nothing is being done in the army. We must reply to a few basic questions:

- In which direction should we go?

- Should we maintain our contacts with the East in this area?
- Should we seek new producers (suppliers) in the West?
- What can we produce ourselves?

There are many problems, and also preconditions which have a bearing on how they are solved. Should we be guided by them implicitly?

The problem of furnishing the armed forces with the new hardware is not at all simple, for we have substantial stocks of combat means and materials, spare parts, and assemblies for the equipment currently in use. An expanded infrastructure, including diagnostic, measurement and control, repair service, etc., equipment can be, (and is being) utilized in the processes of safeguarding the operation of the new generations of equipment, most of which are derived from that now being operated. Added to this is the serious problem of the combatibility of the systems of command, communication, radar, etc., which we now have. We have to determine, therefore, how this new technology will fit into these conditions. An example of this may be the fact that old type torpedoes are being used in training the crews on the new Orzel submarine. True, this did not have to be, but delays in the preparation of the engineering infrastructure for the ship (one!) were responsible. And if we have several modern airplanes, for example, and a base prepared for them, would it not be better to buy more of these same planes (MiG-29) than to buy the F-16? The same applies to other equipment. Perhaps this is what influenced our present main supplier (not very dependable) when he raised the price of the MiG-29. Whether he erred, time will tell.

We have another direction left to us—the West. What kind of future it is now creating for us is hard to determine. But we can surmise that there will be no great problems in purchasing combat equipment, aside from financial problems, but that is our problem. I write surmise because we are still in the Warsaw Pact and we should not be surprised if the NATO countries would not want to supply us.

In examining the...

Possibilities of Purchasing Armaments...

...and military equipment, we must take into account its requirements and the preconditions mentioned earlier. The collision of these two important sets of problems will in large measure determine the choice of equipment. I did not mention earlier the most important thing, the tactical-engineering parameters, which as a rule determine whether any negotiations should be entered into, or even whether there should be any interest in new combat equipment.

It may also happen that the purchase price is relatively low, but the accompanying investments will require the expenditure of large sums of money. This depends, of course, on the type of equipment. The cost of armored

personnel carriers will not be the same as the cost of airplanes. The problem should be looked at broadly, for it is important whether a given type of equipment will, in our country, be a basic means, e.g., one on which various special equipment will be based (communication, engineering, etc.), whether it will appear in small or large quantities, how long it will be used, how much will there have to be in stock, how long will the producer produce it, what are the service and repair intervals, what is the reliability, the diagnostic and repair flexibility, and the labor intensiveness of the technical servicing. Who will do the repair work and what instrumentation is needed to ensure operation in our armed forces.

Without going into further details, which should be considered before a decision to purchase is made, I have barely outlined the size of the problems which the armed forces face in obtaining better equipment. And it would be well if these decisions would take into account all preconditions and opinions so that the logistical (read: engineering and quartermaster) departments are not confronted with accomplished facts. If we are not able in the armed forces to develop joint and coherent programs of action, then we should not be surprised if society does not accept them.

But I believe that in the near future Western equipment will be preferred as being technologically and structurally better, therefore more reliable, easier to diagnose and repair, and as a consequence, cheaper to operate.

One more important question remains...

What Can We Design and Produce Ourselves?

In the end, this is one of the cheapest ways of equipping our armed forces. Right now we probably have little to say in the field of combat engineering. We lack constructional and technological experience, which, with a drop in outlays for research and development in military engineering (two to three times lower than in other European countries) and a systematic drop in the number of production applications based on our licenses, creates no illusions. However, in the future it is envisaged that the armed forces will be equipped based on our own production, so it should be stimulated right now! But we must also reexamine our past activity in this field, look for mistakes, and draw the appropriate conclusions. For example, what has happened to the long-promised successor to the TS-11 ISKRA airplane, the 1-22, the so-called IRYDA? Has it disappeared into the clouds of inability and delusion? Will the financial outlays which it consumed ever pay off?

The current question, what next with new combat equipment for the armed forces, still remains. There are no binding decisions in this matter, although there are premises pointing to new directions for solving this problem. But one thing is certain, that both society as well as the army, are eager for information on this subject, as shown by mentions in the press. It is also likely that every decision in this area will be closely examined and assessed by society.

CZECHOSLOVAKIA

Only Rapid Transition to Market Economy Will Work, Says Economist

91CH0034A Prague HOSPODARSKE NOVINY
in Czech 19 Sep 90 p 5

[Interview with Professor Oldrich Kyn by Jiri Sekera and Marcela Doleckova; place and date not given: "The Only Hope Is Rapid Transformation"]

[Text] "I teach mainly econometrics, statistics, macroeconomics, and comparative East European economics", stated Prof. Oldrich Kyn, professor at Boston University, at the start of our interview. One of the first to study economic cybernetics, he was a professor at Charles University 22 years ago. He had come to Czechoslovakia to collect materials for a study for the World Bank. When answering our questions he emphasized that he was expressing only personal opinions.

[HOSPODARSKE NOVINY] Professor, as you of course know, our economists are unified in the view that there must be a fundamental transformation. They do not agree, however, about how to implement this change. The different opinions are well known and need not be repeated. What is your view?

[Kyn] In all candor I must say that I am almost exclusively on the radical side. I am for rapid and radical privatization, for price and market deregulation. The speed is not the only thing that is important, so is the breadth of the change. Of course everything cannot be done overnight, preparations are necessary, but when these are ready things should move quickly. I consider a year of preparation to be plenty. It would be ideal if all preparations were on paper by the end of the year, then implemented immediately on 1 January. Of course I know that this is not possible. But I would recall the postwar experience of the United States: At that time there were controls, and prices were deformed, yet when they were deregulated after the war everything reached equilibrium quite rapidly. An example from the present? In Poland they planned a "great upheaval" for 1 January and assumed that it would take about three months for the prices to come into equilibrium, before they would be able to arrest hyperinflation. But it took only three weeks.

[HOSPODARSKE NOVINY] Isn't the price for this too high?

[Kyn] Clearly the economic situation there is difficult, but Poland is in a completely different position than Czechoslovakia.

[HOSPODARSKE NOVINY] That is why some of our economists think that the transition to a market economy here need not take such a drastic route....

[Kyn] I have heard that, for example, Valtr Komarek has proposed that you improve the structure of the economy

beforehand, to eliminate monopolization, and form a new model. In short he is advocating a gradual approach. I do not agree with this view, perhaps because it is based on projections. If I were to go to America I wouldn't necessarily say there that I make predictions, because predictions do not have a good reputation there right now. People there no longer believe in large economic models.

[HOSPODARSKE NOVINY] You who make your living by econometrics are saying this?

[Kyn] Look, people have realized that you cannot predict what will be produced in 10 or 15 years, or which technologies are proper and which are not. What is necessary is to build a mechanism that functions smoothly, that can adapt as fast as possible to the inevitable changes.

[HOSPODARSKE NOVINY] It is obvious that you work in America. Western Europe and Japan, in contrast to America, do not rely so uniformly on the clarity of the market when making macroeconomic decisions.... But that is not our subject. Tell us, professor, why are you convinced that with a functioning market mechanism a centrally managed economy can be transformed only rapidly and comprehensively.

[Kyn] Western theory which has been developed for years is based on the observation and study of the market mechanism. I want to cite one of the principles that shows why transformations should not be done in individual steps. The theory of optimally functioning markets uses very complex mathematical expressions to show that maximizing the general welfare is possible only with an assumed distribution of primary resources among producers, a certain choice of technical processes, a certain structure of production and a certain distribution of products among people. Under these conditions, every change in the economy, each increase in the welfare of one person is accompanied by a decline in the welfare of someone else. When it is possible to make such a change, even if it does not have a predicted result, resources are not being used optimally, they are being wasted. One boundary that cannot be exceeded is called the Pareto Optimum. A fundamental tenet of Western theory states that every market equilibrium created under perfect competition is an optimum. We know, though, that perfect competition does not exist. Practice has confirmed, though, that the deviation is not very great. It has been shown that prices, of goods as well as capital, interest rate levels, and wages are the signals that indicate when, in a freely functioning market mechanism with sufficient competition, a situation exists in which yields are maximized given limited resources.

What is important, though, and what supports the requirement of rapid, comprehensive reform, is the so-called theory of second best. This shows that when a single marginal condition of a Pareto Optimum is disrupted it is no longer optimal to maintain the other conditions. On the contrary it is optimal to eliminate all

of them. Put another way, if you create all the conditions for a market the market will automatically adapt, and form the marginal conditions. This occurs because people make decisions that will maximize profits and utility. For a market to be completely free it must be a general market, encompassing all products, labor, and capital.... Under these conditions everything adapts. However, once any restriction is introduced (such as freezing certain prices) some of the conditions are violated, meaning that it is not sensible to maintain any of the other conditions either. This theory is one of the most standard: The market is general, all encompassing, and without restriction. Any interventions in the market result in a waste of resources. For these reasons, for this theoretical reason, it would not be good for the Czechoslovak economy to make the transition to the market gradually, with certain prices fixed. If the transformation is made in one shot, clearly for a couple of weeks or months there will be confusion, but people will adapt quickly and everything will start functioning at some point.

[HOSPODARSKE NOVINY] In theory it all sounds good, but the risks remain. For example, doesn't full price deregulation create the danger of inflation or even hyperinflation?

[Kyn] Clearly the danger of inflation exists, and for that reason things have to be done ingeniously. Here the threat is made that if prices are deregulated foreign trade will be deregulated as well, including the exchange rate of the koruna vis a vis hard currencies, leading to an immediate increase in the price level of 40 percent or more. I have spoken with employees of the former price office who made these calculations and found out to my horror that they were working with the same models that we were using prior to 1968. This model was perhaps quite serviceable for a centrally planned economy where prices were fixed, but it is clearly not appropriate for a market economy. These calculations included projections made at dollar to koruna exchange rates of 1:24 and 1:30, etc. The calculations were based on hypothetical changes in the exchange rates, but otherwise assumed that production will occur using the same technology, that everything else will remain constant. If the dollar exchange rate increases, the costs of imported components increases, which is then integrated into production costs and the entire price chain. Only wages remain at the same level. If the increase in wholesale prices makes its way into retail prices real wages would decline. This does not have to happen, however, if the change in wholesale prices is compensated for by a reduction in the sales tax. These calculations, you see, do not include assumptions that we might export and import different things, or that we might export less and import more. Or when the domestic exchange rate changes it is only the koruna prices that are overvalued, not the dollar prices.

These calculations only calculate the increased costs that result from the koruna prices of imported products, but ignore the fact that koruna revenues from exports will increase by a relatively equivalent amount. Who in this

situation realizes these korunas from a higher dollar rate? They fall into the hands of the government. This calculated increase in the price level is only a redistribution of the same pieces of pie.

The entire question has been posed poorly. It needs to be formulated this way: When we have such and such production conditions, export this much, import this much, then what will the exchange rate be? The exchange rate has to be the result of calculations, not an assumption for them. This requires, though, a completely different model, the so-called general economic equilibrium model, in which prices are set so as to bring supply and demand into equilibrium, with the exchange rate coming out as the price of our currency that will balance our payments.

[HOSPODARSKE NOVINY] There are fears, though, that this would result in a dollar/koruna exchange rate even less favorable than the current one.

[Kyn] Of course I cannot say what exchange rate will result, but based on my intuition, knowledge of the model, and the situation, I think that it can be much more favorable than assumed by the calculations from the former price office. I think that those calculations were only a straw man to scare people into thinking that if they open their foreign trade, if they stop managing the exchange rate, that a terrible inflation would be the immediate result. Some economists here assert that if the dollar exchange rate goes up it will be impossible to export products and that we must therefore create administrative barriers to keep the exchange rate from increasing. I however maintain that administrative barriers slow down the process of adaptation. In contrast, a free market makes it possible to phase out inefficient products and technologies, so that after initial fluctuations the exchange rate can stabilize at a more favorable level than projected today.

There is the additional argument, moreover, that people are ignoring to my surprise, that they are not aware of: The koruna exchange rate is not formed solely on the basis of the foreign trade balance, but based on the balance of payments. This has two components—the trade balance and the movement of capital. Take the example of the United States: An immense deficit in the trade balance is offset by an immense influx of capital. Capital flows to the United States because the investment climate is favorable there.

[HOSPODARSKE NOVINY] Are you implying that we must create attractive conditions for foreign capital?

[Kyn] Of course. If Czechoslovakia wants to convert to a free market, deregulated prices and exchange rates, it can expect that in the short term it will run a balance of trade deficit. This can be compensated for, however, by creating conditions for an influx of capital. Such an influx is essential at a time when prices and markets are being deregulated, along with the exchange rate. This should all take place concurrently, not after two to five years.

[HOSPODARSKE NOVINY] What about the fears about selling our enterprises to foreign investors?

[Kyn] I would not be afraid of this. You can set up certain safeguards, but you must make it possible for foreigners to invest in Czechoslovakia. You have to create economic and political stability here. You also have to provide a sufficiently high interest rate. This prevents domestic inflation, and attracts foreign capital. This capital influx will stabilize the currency and force the dollar/koruna exchange rate down. If you are too defensive and too regulatory the foreign investor will not come to Czechoslovakia.

[HOSPODARSKE NOVINY] Unfortunately, our immense monopolization will work against the rapid formation of a market as you have described.

[Kyn] The full elimination of monopolization is neither possible nor necessary. A small country such as Czechoslovakia cannot afford to have, for instance, ten automobile manufacturers. Even America has only three. Analysis of the impact of monopolization indicates that it does not have a large impact and causes only an insignificant increase in prices. There does not have to be true competition, after all, so-called potential competition is enough. What is important is to eliminate all obstacles that limit competition. Then potential competition prevents monopolists from increasing prices much over the level achievable under perfect competition. If they make too much profit, after all, it makes sense for someone else to either start producing the same goods, or import similar goods from abroad. This is another reason why there has to be an open market.

Let me give an example. Roughly 15 years ago IBM had a virtual monopoly on mainframe computers and looked to be unbeatable. What happened? A young engineer name Steve Wozniak, on his knees in a garage with \$4,000 dreamed up the Apple personal computer, thus starting the modern information revolution, which changed the market for computers completely. IBM had to change its entire policy. A little man changed a huge giant.

I don't believe it when someone says that there is excessive monopolization in Czechoslovakia and therefore we have to depend on regulation. Bureaucrats always react exactly the opposite from the way they should.

[HOSPODARSKE NOVINY] This brings us to another hot topic—privatization. What do you think of the view that at a certain stage it does not matter who is the owner, the state, a corporation, or an individual?

[Kyn] I am convinced that privatization is absolutely necessary and that it does matter whether the owner is the state or an individual. I am not saying that it isn't possible and even desirable for the state to own, say, the railroads, or a plant that produces a special product. In America, however, almost everything is privately owned, and the same is true in Sweden. The Swedish model is

often cited, but the state does not intervene there in the area of ownership. It has been shown that even partial state ownership does not work well, so throughout the world there is a huge wave of privatization.

[HOSPODARSKE NOVINY] If privatization, then the issue becomes one of how to transfer ownership?

[Kyn] I am definitely in favor of coupon privatization. In my opinion the coupons should be more than just vouchers for stock. A certain percentage of state property should be established for distribution to the people. This property does not have to be just corporations. It can also be buildings, or facilities such as restaurants and stores. People could choose whether to use their coupons to buy company stock or perhaps a tavern. The state owns a number of buildings that it is completely incapable of caring for, and these buildings could also be put in private hands. Let's assume that a certain percentage of state property will be privatized using coupons. I would distribute about 80 percent of these coupons to the people and allocate 20 to 30 percent of them for foreign capital. Let foreign investors decide at an auction how much they would pay for a coupon. For a citizen of the CSFR a coupon might have a value of Kcs1,000, and it is possible that a foreign investor might buy one for \$1,000. This would allow you to prevent foreign capital from buying up everything, while at the same time attracting some foreign capital. The proposal that I have seen, however, makes the absurd requirement that stocks acquired for coupons must be held for two years. This would delay the creation of a capital market by two years.

[HOSPODARSKE NOVINY] In this regard, however, a number of objections arise, for example that the only people with the necessary capital are those from the old hierarchies, or money changers, or other dishonest people. The fear is that such a program would allow these people to "launder" their dirty money.

[Kyn] This is just why you have to give the coupons to normal people for free. If they have no money, you can't sell them the coupons.

[HOSPODARSKE NOVINY] But which people? Employees of privatized enterprises?

[Kyn] You will probably encounter the ESOP system (editor's note: an American system known as the Employee Stock Ownership Plan). The way this is discussed sometimes here reminds me of an Aesop's fable. In the United States a number of enterprises give their employees first option to purchase a specified percentage of stock. Because they receive the stock at a discount they can make money on it. This does not mean however that employees own companies in which they work on a mass scale. If an employee owned a company and it failed then he not only loses his job, but also loses all his capital. In some cases employees bought stock to save their jobs because they were afraid of being fired. The enterprise failed anyway and they lost the savings that they were supposed to have for retirement.

Here the argument is advanced that people who receive capital for free will not appreciate it. Who was it, though, who saved the capital that has been accumulated here? Was it saved by the party and the government from their own resources, or did the government save it from our pocketbooks? We were all forced to save. To assert that the distribution of coupons is distributing something to which an ordinary person does not have a legitimate right, is in my opinion a bad argument.

HUNGARY

Trade Relations, Prospects With Austria Described

Growing Trade With Austria

91CH0072A Vienna DIE PRESSE in German
20 Sep 90 p 15

[Article by Erich Hoorn: "Hungary's Economy Shrinks, Inflation Is at 30 Percent—But Austrian Exports Flourish"—first paragraph is DIE PRESSE introduction]

[Text] Budapest—As Hungary's economy battles many problems caused by the transition to a free market system, Austrian exports to Hungary remain on the upswing. Already about 4,500 Austrian firms are active on the Hungarian market. Future business prospects are judged quite positive. Of the 2,500 joint ventures in Hungary, about 400 are Austrian. State secretary of the Ministry for International Trade Relations in Budapest, Janos Martony, stressed; however, that total foreign investment is only at \$600 million to \$800 million.

It certainly is not always easy for foreign firms to invest in Hungary. Western experts stress that investors are turned back by the turbulent conditions that affect Hungary's economy, by the lack of infrastructure, and by the poor office situation. The economy is shrinking this year and the inflation rate is estimated at about 30 percent. This development means steady devaluation of the forint—something that benefits Hungarian exports.

Real income is decreasing, and this leads to dissatisfaction among the population, especially because already more than 10 percent of Hungarians—particularly those who are retired—live below the poverty line. The biggest burden, however, is the "credit tower" of \$20 billion. Internal business indebtedness amounts to 1,300 billion forints.

Sharp Increase in Unemployment Expected

The country has been successful in keeping the unemployment figure at 40,000. This number, though, is expected to rise as the transition to a market economy demands the closing of unprofitable enterprises. The balance of payment and the increased income from tourism, on the other hand, provide a ray of hope for Martonyi. This year, Hungary expects a balance of payment deficit of only \$200 million, while the International Monetary Fund (IMF) will accept a deficit of up to

\$400 million. In view of this favorable balance, the country will be able to make its interest payments of \$1.5 billion for this year, but it will have to take on new credits to pay off the principal.

The decision whether Budapest is to participate in Expo 1995 is to be made on 15 November. Martony thinks that one needs that much time to find out about the foreign participation in Expo, because Hungary can cover only a third of the total cost of 120 to 130 billion forint out of its own budget, because the IMF only allows a budget deficit of 10 billion forint annually.

Austrian exports to Hungary rose by 21.4 percent to 4.7 billion schillings in the first half of 1990, while imports grew by 5.8 percent to 3.9 billion schillings. The Austrian trade delegate in Budapest, Josef Schwarz, is convinced that 1990 as a whole will see an increase of over 20 percent in exports. He advises Austrian firms to keep on targeting the market intensively because there will always new sales opportunities.

The high internal indebtedness of Hungarian businesses; however, sparks less and less interest in paying back debts. For this reason, businesses should be backed by letters of credit.

Hungary's industry is in bad shape: The economic crisis in the Soviet Union has caused Moscow to default on its imports from Hungary. Balazs Botos, deputy state secretary of the Ministry of the Interior, explained that he expects exports of industrial goods to drop by 20 to 30 percent this year. By 1991, this level could be 40 to 50 percent below that of 1989. For this reason, it is necessary to open up western markets.

New Gas Pipeline To Lead From Trieste to Eastern Europe

Hungary also suffers from decreasing Soviet energy supplies. This means that Budapest will have to shop around for other energy sources. Arpad Bakay of the Ministry for Industry said that negotiations are in progress about a new natural gas pipeline leading from Trieste to Yugoslavia, to Hungary, and to the CSFR. The Adria oil pipeline to Yugoslavia, Hungary, and the CSFR has hardly been used and was put out of commission for a while; but now it is to ensure the supply of oil.

Hungarians Want Goods From Austria

	Austrian Imports From and Exports to Hungary (in billions of schillings)		
	1987	1988	1989
Exports	6.62	6.82	8.68
Imports	6.18	6.37	7.84

Girozentrale Economic Information

Chamber of Commerce Plans

90CH0072B Vienna *DIE PRESSE* in German
20 Sep 90 p 15

[Article by Tibor Fenyi: "Chambers of Commerce Cooperate: Vienna Helps Budapest"]

[Text] This Wednesday the chambers of commerce of both capitals remembered their fruitful cooperation during the Austro-Hungarian monarchy: Karl Dittrich [president of the Vienna Chamber of Commerce] and Imre Toth, president of the Budapest Chamber of Commerce and Industry, which was reestablished a month ago, signed a cooperative agreement, the first phase of which envisions Austrian support for the establishment of free market structures. Dittrich cited as the most important reason to cooperate with the new Chamber for Industry and Commerce, that its members are mostly private enterprises and that the roughly 300 founding members are being joined every week by 50 to 60 new members.

Starting immediately, partners in Budapest can make use of a "bonus coupon" worth 150,000 schillings to go shopping in Vienna. The Viennese Chamber of Commerce is sending experts to Budapest to give advice, and it is inviting Hungarian experts to study the Austrian Chamber of Commerce. A Viennese "Eastern Academy" just recently founded and according to Dittrich to be named "The Danube Academy" is to instruct young Hungarians in economic matters. Dittrich also has pledged assistance for putting up an information and service center. Partnership market exchanges are to promote the founding of joint ventures.

When Dittrich met on Wednesday with Prime Minister Jizsef Antall and representatives of all parliamentary parties, he learned about the privatization legislation that was passed on the previous day and about the preparations for Expo. The chamber president stressed that Vienna was not interested in holding the world exposition without Budapest.

POLAND

Future Telecommunications Cooperation With West Viewed

91EP0033A Warsaw *RYNKI ZAGRANICZNE* in Polish
No 89, 6 Oct 90 p 2

[Article by (M.Z.): "COMEXPO POLAND '90: Will There Be Telephones?"]

[Text] It is old news that we will not modernize telecommunications in Poland without resorting to Western technology and capital. At present, only a preliminary game is being played out in this regard: Foreign firms are making offers and, in several of our ministries, particularly the Ministry of Communications, correspondence is filling up new files all the time.

However, it looks like there will be some accelerated activity in this extremely important field. Thus, in the coming days (weeks at the latest) a new law on communications is to be passed that will open up considerable possibilities of cooperation with foreign capital. On the other hand, in mid-October, Warsaw and specifically the Marriott Hotel will host the international telecommunications-computer expo and seminar entitled COMEXPO POLAND '90. The organizer of the event, Marketing International Corporation from Arlington (Virginia, U.S.A.) has attracted such industrial giants as ATT, Hewlett Packard, Motorola, Northern Telecom and Nynex International Company.

"The fact that these and a dozen or so other well-known telecommunications and computer firms are taking part in COMEXPO POLAND '90 indicates that there is serious interest in doing business in Poland on a large scale," claims William A. Warnes, president of Marketing International Corporation. In turn, the promoters of the entire event of the Ministry of Communications, the Polish Post, Telephone and Telegraph Administration, and the Telecommunications Development Society assure that during the seminar in the Marriott Hotel, the firms from Poland and the United States will be able to talk in very concrete terms about the possibilities of cooperation, joint ventures, and scientific-technological cooperation in this field.

Donald Mucha, a businessman from Chicago and chairman of the Joint Venture Committee in the Polish-American Economic Council, calls attention to the U.S. Department of Commerce's backing of COMEXPO POLAND '90. A representative of the U.S. Trade Development Center in Warsaw will have a special booth at the Marriott Hotel during the expo.

Andrzej Ziaja, president of the Metronex Foreign Trade Enterprise, a limited liability company, is counting on trade mediation in the telecommunications and computer contacts of firms participating in COMEXPO POLAND '90 with their Polish partners. "That is why Metronex is sponsoring this event," states President Ziaja. "We intend to make use of our solid, good contacts with large electronics firms and promote their state of the art technology in Poland. Telecommunications is an expensive but at the same time highly profitable business."

Besides businessmen and industrial representatives, representatives of financial spheres and government institutions will take part in COMEXPO POLAND '90, [including] the Ministry of Foreign Economic Cooperation as well as the Foreign Investment Agency. Therefore, the subject of discussion will be availability of investment and floating capital from Poland and from foreign sources.

Economic Effects of Gulf Crisis, USSR 'Chaos,' German Unification

91EP0056A Warsaw POLITYKA in Polish No 42,
20 Oct 90 pp 1, 5

[Article by Jerzy Baczynski: "An Unfortunate Knot of Circumstances: Iraq, the USSR, Germany—How Much Will We Lose?"]

[Text] When a man is poor the wind always blows in his face, the saying goes, but recently Poland has been buffeted by a veritable draft. The wind is blowing in its face from the south, from the west, and from the east. The three most important world events in recent months—the Persian Gulf conflict, the unification of Germany, and the political and economic chaos in the USSR—have created new unexpected perils for the Polish economy. Just when success has been achieved in somehow suppressing inflation, just when the first signs of a revival of manufacturing have appeared, we must again draft in haste pessimistic scenarios. How much will we lose? Two, three, four billion dollars....

It began with Saddam. For many years the Middle East conflict had been something extremely distant to us. Only a few were aware that over there we were making unsavory business deals as a minor arms purveyor. Iraq in particular was a great customer; some Polish enterprises supplied it with arms while others took part in rebuilding that country from its wartime devastation. Now we are paying a high price for our friendship with Hussein. Ever since—like the entire civilized world—we joined the embargo against Iraq, it is highly likely that we shall not get back the \$500 million which our country, the debtor that it itself is, had at one time loaned to Iraq by selling to it Polish goods (including arms) on credit. We shall also lose another \$500 million owing to the halt in trade with Iraq and Kuwait. Then also, in addition to that \$1 billion, there are the potential losses due to the disruption of negotiations for deliveries of goods and services (solicitations for contracts valued at \$1.7 billion) as well as the possible forfeiture of the assets left in Iraq by Polish enterprises and our citizens working there (altogether about \$150 million). In sum, calculations show that our direct losses due to the war in the Gulf amount to \$1.5 to 2.0 billion—depending on how we reckon potential losses. Let us jot it down: \$2 billion.

Although this is a huge sum, and every dollar should be scrupulously noted, this figure does not have any direct bearing on our present-day economic situation. The credit [to Iraq] had been granted long ago, the contracts concluded have not yet been signed, this year's deliveries have been only partially implemented, etc. It is the indirect consequences of the war in the Middle East, and particularly the soaring prices of crude oil, that are much worse.

This year, as in the years past, about 80 percent of our imports of crude oil were to come from the Soviet Union. We are reckoning these shipments in transfer rubles for the last time this year, but even now a small

fraction of the deliveries (1.2 million metric tons out of the planned 12.5 million) was to be reckoned in hard currencies (so-called hard-currency clearing). Owing to the rise in the market prices of crude oil we must all at once pay the Soviet Union an additional \$33 million for those still expected shipments of hard-currency crude. But that is only the smallest part of our extra expenditures. As known, this year the shortfall in shipments of Soviet oil to Poland will reach about 2.7 million metric tons. Were we to want to offset this shortfall by importing oil from the West, that would cost us about \$570 million, assuming optimistically a price of \$30 per barrel, i.e., \$270 a metric ton. We are not going to debit this figure to the liabilities side of the balance sheet, because we will not import that oil anyway. But as for the oil which we have to buy anyhow in the West—that missing 20 percent—we will have to pay an additional \$146 million for it, as a consequence of the Iraqi aggression. Moreover, our expenditures on imports of refined petroleum products will increase by \$253 million. Thus, by the end of 1990 alone, we will have to pay \$432 million more for liquid fuels than we had originally expected. We jot down \$432 million.

But the worst is yet to come. This year is coming to an end, but what will happen next year? Two circumstances have coincided [to add] to our unusual bad luck: the Iraq-caused rise in the prices of crude oil and the domestic problems of our heretofore principal supplier, the USSR. Owing to the decline in petroleum extraction, the disturbances at refineries (including the blockade of Lithuanian refineries, the interruptions in the operation of refineries in Baku, etc.), the Soviet Union has practically been forced to import fuels. It has decided to curtail exports of crude oil and fuels, and the first to suffer are the former socialist countries heretofore buying Soviet crude for transferable rubles; we hear what is happening in Czechoslovakia or Bulgaria. In view of the continuing disintegration of the Soviet Union, the central government, or more precisely the Gosplan, the Soviet planning commission, is completely unable to predict the extent of Soviet exports of crude oil in 1991. Just in case, I believe, the partners have been warned that shipments may fall to zero.

Minister Skubiszewski's recent talks in Moscow have produced some hope, although as yet no contract, that, in lieu of the 12.4 million metric tons promised last February, we shall be able to buy 5 to 8 million tons (the figure most often cited is 6 million). But if the Polish economy is somehow to continue operating, an additional 7 million tons has yet to be acquired. Without going into detail, we figure that this will cost us altogether in 1991 \$3.2 to \$3.5 billion (the lower estimate is for an OPEC price of \$25 per barrel and the higher for \$40 per barrel). If we compare these prices with their counterparts prior to the Iraq crisis, this means that importing the same amount of crude oil (13 million metric tons) will cost us in 1991 an additional \$500 million to \$1.3 billion. Then also there is the additional cost of importing refined petroleum products, which

reaches \$450 million annually. Altogether, owing to the rise in oil prices on world markets, we will lose between \$1 billion and \$2.2 billion annually, starting next year. In such a situation it can be expected that in 1991 domestic prices of gasoline will increase by an additional 56 percent, and motor oil by 60 percent. For this reason alone our inflation will increase by several percent. (Excuse my giving so many figures, but I do not want to sound like I am crying wolf for no reason.)

A few words about natural gas. In that respect we are completely dependent on shipments from the Soviet Union, which next year will decline to 5.2 cubic meters from 8.8 billion cubic meters. We rather need not fear any rise in import prices of the gas, because even so we are paying the USSR the highest prices in Europe. The government wants to buy from Yugoslavia about 1 billion cubic meters of Soviet gas and arrange for additional shipments of gas from the USSR in return for Polish alcohol and other consumer goods. If this plan fails, shipments of natural gas for industry will have to be curtailed. But we all can expect a substantial increase in the heretofore subsidized domestic prices of the gas, because they still are only one-tenth as high as world prices. Natural gas also will swell the inflationary balloon.

The collapse of the Soviet economy, as demonstrated by, among other things, the decline in exports of crude oil and other raw materials, is producing highly negative consequences for us. Already this year, because the Soviet partner has no wherewithal to pay for our goods, our balance of trade with the USSR will reach a surplus of the order of 4 billion rubles, which corresponds to the level of our entire indebtedness to the USSR. This is no special ground for rejoicing, because it is precisely at present that we cannot afford exporting goods without getting compensated, the more so considering that our debt to the USSR, which is incidentally getting repaid at the same time, is anyway dubious, because earlier Poland had contributed several billion rubles to investments on USSR territory. The government tried to halt Polish exports to the USSR by drastically reducing the exchange rate of the ruble, but subsequently it drew back under pressure by Polish enterprises, to which sales to the Soviet Union often are the sole means of survival. This year we are living through a sorry contradiction: our exports to the USSR are an engine of inflation, but halting these exports would aggravate our recession. Owing to our forced trade surplus vis a vis the USSR, we forfeited this year about \$1 billion, which properly speaking should also be added to our unplanned liabilities.

And as of the new year an even greater shock is awaiting us so far as trade relations with the USSR are concerned. For some time now the Soviet authorities have been predicting a switch to a foreign trade based on hard currencies. We had proposed a temporary clearing of accounts in terms of hard currencies for the next three to five years, but this notion will certainly not pass. So far we have been paying for imports of raw materials from

the USSR (two-thirds of Polish imports from that country) by exporting Polish machinery and equipment on a barter basis. If as of next year the USSR will have to pay in hard currencies for Polish products, a considerable curtailment in its purchases is to be expected. This year, e.g., our machine industry sold to the USSR 700 million rubles of products, whereas for next year the Gosplan envisages imports totaling only 50 million rubles. In the Soviet Union, owing to its economic crisis, the demand for the investment goods and construction and assembly services exported by Poland has collapsed. Conservative estimates show that, once the conversion to trade based on hard currencies is accomplished, our exports to the USSR may decline by 30 percent in 1991. To many Polish enterprises which live off trade with the East this is a traumatic situation.

In the past 40 years a so-called Soviet sector, oriented to servicing our eastern neighbor, has evolved in Polish industry. Polish textile-machinery plants, shipyards, electronics and pharmaceuticals plants, textile factories, and many others, are manufacturing products which can be sold only with difficulty outside the USSR market. The decline in orders will of a certainty compel them to curtail output and lay off employees. This will result in yet another surge of recession, even if in the long run this will have the desirable effect of forcing the enterprises to update their products and switch to other markets.

The possibilities for an earlier adaptation of Polish producers to the changed conditions of trade with the East are greatly restricted by the systemic chaos persisting in the USSR. So far the extent of the autonomy of the republics is not yet known (and that is why it is difficult to speak of any practical results of the visit by Minister Skubiszewski to Russia or to the Ukraine), and neither do we know what will be the official exchange rate of ruble to the zloty and the dollar, and whether and when limited convertibility of the ruble will be introduced, what powers will be granted to Soviet enterprises, whether the gigantic Soviet foreign trade companies will be reorganized, etc., etc. Nothing is known. If we also consider the relative passivity of Polish enterprises, which seem unaware, as it were, of what is awaiting them on the Soviet market, we can expect gigantic perturbations which, so far as Poland is concerned, may cause, according to my estimates, some 20,000 to 40,000 employees of our Soviet sector to be laid off and output to decline by an additional \$500 million, more or less. This is the next figure to be added to our liabilities.

Moreover, the relative increases in the prices of Soviet raw materials (including crude oil), as well as the reduction in the prices of our machinery and equipment (after these are reckoned in hard currencies and at world prices) may cost us about \$400-500 million annually, i.e., a corresponding value of our exports would have to offset these price differences alone.

Similar problems, though on a smaller scale, will arise in our trade with other CEMA countries, except one country which has ceased to exist. It is difficult to

estimate at present the consequence of the loss of the GDR market to our economy. Already this year we felt keenly the reduction in the imports of Polish goods by the GDR, which was accompanied by a marked increase in exports—considering that the products of GDR factories are practically unsalable in Germany. Hence, by year end our negative balance of trade with the former GDR will reach half a billion rubles, or slightly more than \$200 million (at 2.34 DM per ruble). The GDR accounted for four to five percent of the volume of Polish foreign trade (several hundred million dollars). It is doubtful whether in the short run the growth in trade with the new Germany will offset this loss. Let us assume optimistically that we will lose only \$100 to \$200 million in Polish exports owing to the closing of the GDR market. On our balance sheet this is not a very significant item. But the eventual losses due to the decline—by how much?—in the influx of German capital to Poland, for which, of course, now the former GDR will hold priority, are difficult to estimate.

The unification of Germany, which will reduce the mobility of German capital, as well as the direct and indirect costs of the Middle East crisis will cause, according to many experts, a rise in interest rates on the financial markets as well as recession phenomena in the economies of the West. That too shall produce adverse consequences to us—by hobbling Polish exports and increasing the interest rates on loans.

The reckoning of the losses which the Polish economy is sustaining and will sustain as a consequence of outside events (the Soviet crisis, the Iraq crisis, the unification of Germany) is still far from complete. Given a pessimistic scenario, which is usually more likely, these losses will total \$4-5 billion next year. Thus, the conditions for the final suppression of inflation and for reviving the economy are exceptionally unfavorable. This should be realized, particularly during the present electoral campaign when it is easy to make seductive promises. To our economic and foreign policy this is a tremendous challenge, because we still have certain opportunities for minimizing these potential losses. Perhaps at least we might succeed in obtaining some reduction in our indebtedness (after all, we supported the embargo against Iraq, and we also supported the unification of Germany). But on the other hand, given the threat of recession hanging over the world, will anyone consider debt reduction?

We have bad luck, although we are not the only ones to encounter it; all the former countries of real socialism face the same situation. We certainly are unlucky, but that in itself still is no alibi.

Thoughts on Eliminating Fringe Benefits, Privileges, Allowances

91EP0059A Warsaw *POLITYKA* in Polish No 43,
27 Oct 90 p 6

[Article by Andrzej Mozolowski: "Cards on the Table"]

[Text] Forty-five years of toilsome national education have developed in us a deep conviction that in order for

there to be justice in Poland, two conditions must be fulfilled: Everyone must be given as much as everyone else, and everyone must have special privileges to which only his occupational group is entitled. After scores of years people are still badly paid, but because of that everyone is floating in privileges which he does not appreciate anyway and of which there are now so many that just to list them would require several pages. For a long time the best heads in a couple of ministries have been racking their brains on how to solve the problem of privileges and allowances, without any visible results.

It all began a long time ago and very prosaically. At the turn of the century, in the dismal days of the exploitation of man by man—recalled today with such nostalgia by the old people—the mine owners, in grappling with coal sales, hit on the idea of pushing some of this coal onto the miners, as part of their wages. Even earlier, the landed gentry came to a similar conclusion, paying their stable boys for their work in the form of farm produce, mostly in potatoes. Many industrialists eagerly latched onto this clever idea, supplying their employees with the products they produced for free.

After the war, when the capitalist problems with overproduction changed into the socialist permanent shortages of everything, allowances suddenly became valuable privileges; any commodity was better than money, for which nothing could be bought anyway. Add to this the fact that the party and the government were not able to cope with the low productivity and the working people's growing reluctance to work. Despite many renewed attempts, a wage system could not be created which would encourage people to work honestly and professionally (for which the decisionmakers should not be blamed because we now know that in an economy of real socialism something like that cannot happen).

Wage incentives, therefore, were replaced with privileges, allowances, and honors, using them at the same time to mitigate the growing—as years passed—demands of various occupational groups. Thus the miner's privilege card came about, then the steelworker's card—at which the dockworkers raised an outcry, because after all they were just as good, and so there came the dockworker's card, which deeply wounded the construction workers, for whom the authorities quickly declared another privilege card. The mining rockcrushers, passed up by the government, were finally able to win a rockcrusher's card. Even a white-collar sector was able to get a card, the only one to do so—the teachers (I may have made an error in the sequence, but that is not important).

Whoever got a privilege card also got what came with it: one day a year off from work (in Poland, honor was always associated with idleness), special remuneration, the applicable orders and decorations (pinned automatically after a specified number of years), anniversary

prizes, extra rest furloughs, special annuities, retirement-age reductions, and, of course, allowances, allowances, allowances....

The remaining uncared sectors were not to be outshone. Every minister wanted to be good to his people. The avalanche of allowances, reductions, and benefits bypassed almost no one. Millions of people are drawing a coal allowance, including some having no connection at all with the coal industry, as for example, the shoe-heel factories in Tarnow...and hundreds of others. The electric power and gas allowance is also very popular; in the meat industry, people are getting 40 kg of meat a year per person; in the dairy industry, 16 kg of butter and 27 kg of cheese per person; in the baking industry, two loaves of bread a day (it is hard to eat that much, but it can always be fed to the chickens). State Farm employees get 546 liters of milk a year per person, plus 182 liters for every member of the family. Students in the higher maritime schools on ships get five meals a day; the main bookkeepers at Warsa get all their meals free.... The list goes on and on....

Some allowances are so small that one wonders why some people want to take the trouble to allocate them, account for them, and document them, and why others want to take them. For example, in the match industry the people get five boxes of matches a month (48 matches in a box), and in the fishing industry, a fish allowance equivalent amounting to 450 zlotys a month. Hospital operating room employees are entitled to a cup of "natural coffee or tea with sugar" (the norm does not specify whether the coffee is to be sweetened), although a surgeon whom I asked was very surprised—no one has ever offered him the state coffee; he drinks his own, received mostly from patients.

On the other hand, other allowances cannot be scorned. All one needs to do is calculate the value of the milk allowance drawn by a State Farm employee who has a family, or by a miner—six tons of coal. That kind of an allowance is worth more than a million zlotys. Or power industry employees, who pay 10 groszy per kWh (up to 150 kWh) and 40 groszy per kWh above that, for electricity.

The fact that in many enterprises paying their employees money equivalents instead of allowances-in-kind, this sum no longer corresponds to the actual value of the allowance, is something else. It all depends on the prices used in the calculations: prime costs, sales or retail prices, and how often price changes due to inflation are taken into account. There is a great deal of freedom here.

Medicines, the Most Difficult Problem

But this is not all. There are still the discounts in railroad and bus travel. The number of people who take advantage of a 50 percent reduction in fares on the State Railways is 17.3 million. A million and one-half people ride free. The corresponding figures for the State Motor Transport are 6.5 million and 1.5 million.

There is also a multitude of reductions and total exemptions from various kinds of fees. No one has yet been able to compile a complete listing. There are reductions (or total exemptions) from fees for radio and television, on automobile insurance, on road tax, on dog taxes, etc.

In addition, during the period of the greatest market shortages, the industrial ministries, sectors, and even individual enterprises, introduced something called "the right to buy" goods produced in a given plant by its workforce. These "rights to buy" were combined into a system of barter trade. For example, furniture manufacturers sold them to employees of confectionary plants in exchange for chocolate for their own employees, halvah was exchanged for television sets, gaskets for ham, etc. Everyone bartered everything. Even prisons—for prisoners. In exchange for prisoners furnished for work on construction jobs, the construction enterprises built apartment houses for the prison management, which in turn served as an incentive in enticing graduates of the higher schools to work in the penal system....

Naturally, all of this exceeded the limits of legal privileges and benefits and was officially (and totally ineffectively) condemned. Nevertheless, it all stemmed from the same thing, the departure from money-goods relations in favor of management by command, directives, and favoritism.

Finally, the biggest matter, the one most disputable and most difficult to unravel, the distribution of medicines. Ten million Poles receive them free: annuitants and pensioners; disabled veterans; professional military; Ministry of Internal Affairs (MSW) functionaries; health service employees; railroad workers; and others. There is no country in the world, even among the most wealthy, that would give medicines free on such a large scale. Huge sums of money are involved. For this year alone the estimated value of medicines given free amounts to 2 trillion, 349 million zlotys.

But it is not just the money spent out of the State Treasury. Indeed, the consumption of medicines in Poland is two to three times lower than in the wealthy Western countries. But what is disturbing is the situation where an increasingly larger number of patients are entitled to a 30 percent reduction and the increasingly higher prices of medicines (sometimes as high as a couple thousand zlotys), making it impossible to buy them at all, and making treatment impossible also, while a 10-million mass of people get these medicines free and very often waste them.

Not Yet

It was like this for decades and all was well. Why? Because the all-encompassing system of privileges and material benefits, having no relationship to the value of the work performed by the person benefitting from this system, was perfectly suited to the command-directive system, the artificial, centrally fixed prices, and the lavishly distributed subsidies. It was only necessary that everything balance. And if something did not want to

balance, the planned amount was patiently revised until it agreed with what was actually done.

A market economy does not tolerate this. It does not tolerate the separation of remuneration, in any form, from work (and in the State Farms, for example, the value of an allowance in an employee's average monthly wage amounts to 62 percent!); it does not tolerate the distortion of cost accounting by subsidies and benefits, which are supposed to be costs but really are not, and are presumably (but not actually) returned to the enterprise from the State Treasury; it does not tolerate instruments which diminish the value of money.

Benefits and privileges also give rise to many disputes. Within the enterprises, there are disputes about how the value of the allowances is converted to zlotys—where a money equivalent is applied. And where it is not applied, a dispute arises for that very reason. Outside the enterprises, free medicines for MSW functionaries and regular army personnel cause social dissatisfaction. The more so because the Ministry of Health ruled recently that some medicines must be paid for—the imported medicines not on the official list—saying that annuitants and pensioners must pay for them, while other occupational groups, who have privileges, were not to be affected by this reduction. Apparently the ministers were not able to come to an agreement on this point. It took some heated protests and a strong exchange of opinions before, after a month, the military and the MSW subjected their subordinates to the same rules.

In general, the government approaches this whole matter like a dog approaches a porcupine. It sees the need for change, but it probably does not see how it can be done at this time. Any radical reform which would reduce popular privileges, allowances, and benefits, would most certainly give rise to social protest. Therefore, the matter is postponed from month to month and year to year (the previous government also dealt with this); no one is able to say for certain when the right time will come. Meanwhile, studies are being made and many ministries are drawing up plans and discussing them with the trade unions, in the silent hope of many that this state affairs will still last for a long time.

Do Nothing?

It seems to me that the solution which would cause the least trouble would be to eliminate all allowances. All that needs to be done is to convert them to zlotys, at market prices, and include them in wages (for retirees, in their pensions). The people will be happy, because today they need money more than they need goods, and more than one baker, for example, must be having trouble eating two loaves of bread a day, and the State Farm employee, with drinking the liters of milk assigned to him.

But it turns out that the matter is not so simple. On the one hand, many plants would not like to be deprived of even a very modest channel for sales of their products, which sometimes they find hard to put on the market,

and on the other hand the trade unions are protesting because, as of old, they see in the allowances a societal gain of the working people.

Finally, there are doubts of a financial nature. An enterprise, if it converts allowances into wages, will increase its wage fund and pay for this increase in the form of a tax on the above-norm growth of remuneration.

My personal conclusion: If it turns out that solving the matter meets with some serious difficulties, we should shrug our shoulders and do nothing. After all, with time the problem will solve itself. As the economy goes private, the allowances will disappear. And if some owner (individual or group) wants to keep it, then it is his cost, his risk, his business. Not that of the government.

The matter of all kinds of freebies, with the railroads and buses heading the list, is something else. Here nothing will solve itself. But it seems that of the countless numbers of people entitled to 50-percent fare reductions or free rides, the majority could, without any great misfortune, be deprived of this privilege. This includes employees in the state administration, forestry, communication, dissemination of culture, research and development organizations, teachers, and also the military, the police, and the spouses of the above-mentioned who are now riding for half fare. Naturally, they should be compensated for this and the necessary calculations have already been made. Allowing children and school youth to ride free, which is traditional here and in many other countries, would probably not arouse any protest. As to the remaining, the most underprivileged group of the privileged, such as the railroad men, the State Railroads annuitants and pensioners, disabled veterans, etc., we should probably allow them to keep their present privileges, with possibly a limitation on the amount (e.g., four free rides a year).

Naturally, there are many optional solutions. But we have to decide on one because the total value of free and reduced State Railroads and State Motor Transport rides is estimated at a quarter trillion zlotys.

Familiarize Ourselves

And now the worst part, the medicines. The injustice in the present payment system is flagrant, the waste of medicines is indisputable, and the connection between the ease of obtaining the most expensive medicines free (legally or against the mother-in-law's entitlement) and the empty shelves and financial problems of the apothecaries, has been proven. On the other hand, taking away this kind of entitlement from people brought up with the myth that reparation of health in socialism is free, must evoke negative reactions among society or at least a large part of it. Sharp protests from the trade unions can also be expected.

I cannot imagine that the government will decide on such a step, especially now, in the heat of a presidential

election battle. I expect that it will leave this problem for its successors (who are not going to take it up in a hurry, either). Thus the attempts over many years to deal with this, despite the Sejm resolution requiring the government to find a way to get rid of sector privileges in general and free medicines in particular, will be postponed once more into the indefinite future.

But should someone get up the courage and words become deeds, we should become familiar with the general outline of the last version of the plan prepared by the Ministry of Health. It envisages the division of medicines into three groups. The first group consists of about 400 basic medicines. They would be given to everyone for a token payment of a thousand zlotys per packaging unit.

The second list, consisting of 300 items, would cover additional medicines, obtainable by prescription at 30 percent of the price. The exception would be medicines used for such diseases as tuberculosis, diabetes, cancer, and certain infectious diseases; these would be free.

Another exception: Medicines would be free to those performing basic military service and honored blood donors. The free privileges would also apply to patients in hospitals and sanatoriums.

Finally, the third list would cover the remaining medicines and sanitary items, sold to everyone at full price.

To cover the financial losses sustained by those groups of people who have been privileged thus far, permanent, monthly monetary compensation is anticipated. Compensation for 10 million people is an enormous burden on the State Treasury, but taking the positive effects of this entire operation into account, the burden would be profitable.

This is the last plan (we do not know if it is the final plan).

It would be well to familiarize ourselves with it before other (sector) cards are laid on the table.

CZECHOSLOVAKIA

Interest in Learning Western Languages Rises Sharply

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ALLGEMEINE in German 26 Oct 90 p 12

[Article by Berthold Kohler: "Enthusiasm for Everything That Sounds Western"]

[Text] "Russian?" asked sixteen year old Jan unbelievably, as if he had been asked to eat something unappetizing. "Nobody learns that here anymore." That is how bad things have become in Czechoslovakia for the language of the former "brother nation" and hegemonic power, the Soviet Union. Since the revolution in November, but especially since Russian was eliminated as a required foreign language in the schools, the language textbooks from Moscow have been sitting on store shelves, and many qualified language teachers are unemployed. Only five percent of respondents to an inquiry acknowledged an interest in Russian. The favorite foreign language (54 percent) was German, closely followed by English.

A true explosion has occurred in Bohemia for anything having to do with Western foreign languages. Sales of Western printed materials that had been unavailable or sporadically available just one year ago (exceptions: the communist VOLKSSTIMME and the MORNING STAR), have risen enormously. "Initially I bought the illustrated magazines only for the fine, colorful pictures, but now I try to read the text," related a woman in her forties in a business on Jungmannova Street, where now everything in the Western press having repute and status is available. Even the high prices (Kc45 for DER SPIEGEL or the youth magazine, BRAVO) do not keep the Czechs from picking up several fashion magazines and journals for their shopping bags. People are just used to grabbing whatever is there, explained the woman. She does not quite trust the sudden availability. "Who knows how long this will last." Interest in Western languages has always existed, only people did not dare to display it openly during the time of communist rule, reported an older reader who often buys the Austrian DREI-KRONEN-ZEITUNG on the Wenceslas Square and recalled that German was once the (second) language of the educated citizenry and the nobility in Bohemia. In "small" Czechoslovakia with a "great economic power" as a neighbor, no one today would dare not to know at least a little German, he said.

The sudden enthusiasm of the Czechs and Slovaks—who are not exactly polyglot (just about 80 percent speak no major foreign language)—for Western sounds has called other countries into action; otherwise the great demand for instruction, qualified teachers, and modern instructional materials just could not be satisfied. The vice mayor and school department head, Nebesky, is "wringing his hands" looking for German teachers for the 25 secondary schools in Prague. He is offering Kc3,000 a

month and free housing to foreign teachers who are willing to teach German to Czech children.

Hundreds of Instructors Sent

The United States, Canada and Great Britain have sent hundreds of instructors to the schools and universities. In the next five years this number will grow to more than ten thousand, who will spend six months between Prague and Bratislava. English language courses are already on radio and television. British companies are supporting the British Council financially in the training of Czech language teachers. France is cooperating in building dual language secondary schools and intends to help set up language labs.

The Goethe Institute has now joined the family of willing language helpers. An advance group of four employees has moved into the building of the former GDR embassy on the Moldau, although it is not clear whether the Institute can remain there. The multistorey building in the city center still bears graffiti about class warfare on the walls and its library contains everything by those who, since Marx, have tried their hand at being socialist theoreticians; it would be "quite suitable" for the work of the institute, stated the director of the Prague branch, Bloss. The demand for German as foreign language is "simply gigantic" and greater than in any other country he knows.

The basis for the establishment of branches of the Goethe Institute in Prague and Bratislava was the cultural agreement signed by foreign ministers Genscher and Dienstbier on 2 February in Nuremberg. Previously West German language and culture purveyors could hardly get a foot in the door in Czechoslovakia. Two West German culture weeks in Prague in 1982 and in 1988 were met by the icy chill of the ideological rift. The monopoly for the German language had recently been held by Germans from the GDR. They had done their work well and promoted German in Czechoslovakia, as acknowledged today by their Western colleagues. Three particularly qualified instructors of the now closed East German Cultural Institute were "attached" to the Goethe Institute in Prague by the Foreign Ministry in Bonn until the middle of next year. By then reinforcements will have arrived from home and the language program begun.

The Goethe Institute intends to promote the training of "multipliers," i.e. people who themselves can teach the language. In coming weeks seminars on didactics and methodology will begin for Czech teachers and in January the Institute will offer technical courses in science and medicine. They will cooperate in the retraining of 10,000 Russian teachers already underway at various universities around the country. Already trained German teachers are to be familiarized with modern, monolingual teaching material. The Goethe Institute in Prague desires close cooperation with the Czech ministry of education that approved the establishment of a dual language secondary school in the capital. In the fifth year

German will be taught in an intensive course. In following years, the sciences will be taught in Czech, but the other disciplines in German. Two days after it was announced that this school was to open, four hundred applications had already been received, the cultural attache at the German embassy reported.

Evidently only a few students will miss the familiar Russian language, even though the new languages are more difficult to learn. To the question of whether he believes that he will ever want or have to learn Russian again, Jan answered with one word that says it all: "Never."